

9-6-16 DATE IN	SUSPENSE	PRG ENGINEER	9-9-16 LOGGED IN	6 WD TYPE	PRSC 1625233091 APP NO.
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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: Revision to AO SWD-1594

[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.

Danny L Holcomb
Print or Type Name

DH Holcomb
Signature

Agent for Raz Oil and Gas, LLC
Title

8/19/2016
Date

danny@pwllic.net
e-mail Address

Pueblo West, LLC
125 Greathouse Village
Decatur, Texas 76234

September 2, 2016

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

Re: Original Affidavit of Publication for the C108 Application from Raz Oil and Gas, LLC
YO State SWD #1 (30-025-38162)

Dear Sirs,

Attached is the original AOP received from the Hobbs News-Sun for the legal notice publication made on August 20, 2016 as part of the C108 applications (Authority to Inject) on the above referenced well.

If you have any questions concerning this notice or need any additional information, please let me know.

Sincerely,



Danny J. Holcomb
Agent for Raz Oil and Gas, LLC
Email: danny@pwllc.net
Cell: 806-471-5628

Attachment



www.pwllc.net

Pueblo West, LLC
125 Greathouse Village
Decatur, Texas 76234

August 19, 2015

State of New Mexico
NMOCD Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Per the rules and regulations of the New Mexico Oil Conservation Division, please find enclosed a copy of NMOCD form C108. Raz Oil and Gas, LLC, 1110 Texas Ave, PO Box 1180, Eunice, NM 88231 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to amend Administrative Order SWD-1594 on the YO State SWD #1, API 30-025-38162, 660 FNL x 840 FWL, Unit Letter "D", Section 15, T21S, R35E, Lea County, New Mexico. The amendment involves changing the proposed disposal interval from the Cherry Canyon-Brushy Canyon formations to the Devonian formation. The proposed new disposal interval would be the Devonian formation through open hole from approximately 12,275' – 13,000'. These depths are planned depths based on geological review. Actual depths will be finalized after the well is deepened to penetrate the Devonian formation then logged. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate would be 10,000 BWPD with a maximum rate of 21,000 BWPD. Anticipated disposal pressure would be 0 (zero) psi with a maximum disposal pressure of 2455 psi. The well is located approximately 6 miles WSW of Oil Center, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Ben Thompson 575-394-1046.

Sincerely,

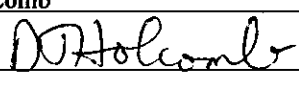


Danny J. Holcomb
Email: danny@pwllc.net



www.pwllc.net

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Raz Oil and Gas, LLC
ADDRESS: 1110 Texas Ave (PO Box 1180), Eunice, NM 88231
CONTACT PARTY: Ben Thompson PHONE: 575-394-1046
- 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: Revision to AO SWD-1594
- 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: Danny J. Holcomb TITLE: Agent for Raz Oil and Gas, LLC
SIGNATURE:  DATE: 8/19/2016
E-MAIL ADDRESS: danny@pwlcc.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: _____

**RAZ Oil and Gas LLC
YO State SWD #001
API # 30-025-38162
660 FNL x 840 FWL
Unit Letter 'D', Section 15, T21S, R35E
Lea County, New Mexico
C108 Application for Authorization to Inject**

I.

The purpose of this application is seeking administrative approval to amend the injection interval approved in AO SWD-1594 at the YO State SWD #1 from the Cherry Canyon-Brushy Canyon formations to the Devonian formation.

II.

**Operator: Raz Oil and Gas, LLC OGRID: 370507
Address: 1110 Texas Ave (PO Box 1180), Eunice, NM 88231
Contact Party: Ben Thompson 575-394-1046 email: razoilandgas@gmail.com**

III.

Please see Exhibit "A" for proposed well data.

IV.

This is not an expansion of an existing project. It is a request to amend original AO SWD-1594. No well conversion work in the Cherry Canyon-Brushy Canyon formations has yet been initiated on the referenced well.

V.

Please see Exhibit "B" of lease map.

VI.

**There is one well identified within the 0.5 mile Area of Review that penetrates the proposed disposal zone. This well is operated by the applicant. There are no other identified wells within the AOR.
Please see Exhibit "C" for offset well data.**

VII.

- 1. Anticipated disposal volume – 10,000 BWPD with a maximum of 21,000 BWPD.**
- 2. System will be closed. Water will be trucked in to a central tank battery then pumped to the well.**
- 3. Anticipated disposal pressure: Minimum 0 (zero) psig, Maximum 2455 psig.**
- 4. Please see Exhibit "D" for disposed fluid analysis.**
- 5. Please see Exhibit "D" for disposal zone fluid analysis.**



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RAZ Oil and Gas LLC
YO State SWD #001
API # 30-025-38162
660 FNL x 840 FWL
Unit Letter 'D', Section 15, T21S, R35E
Lea County, New Mexico
C108 Application for Authorization to Inject

VIII.

Formation	Anticipated Depth (ft)
Rustler	1814
Delaware Sand	5530
Bone Springs	7578
Wolfcamp	10156
Strawn	10916
Atoka	11300
Morrow	11669
Proposed disposal zone	12275 - 13000

IX.

The drill out, deepening and completion/stimulation plan is detailed in Exhibit A.

X.

Copies of new logs run will be submitted after completion.

XI.


NM OSE records indicate that there is one fresh water well within the 1 mile Area of Review. The latest recorded sample was from 1995. An additional sample from this fresh water well was taken June 7, 2015. GO-Tech and recent test results are included in Exhibit "E". This water well is used for cattle production and is located approximately 4505' from the proposed YO State SWD #1.

XII.

Available geological and engineering data have been examined and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found. Jeffry A. Smith, geologist, analyzed offset well logs and estimates that the Devonian formation at the subject well should have an overall thickness in excess of 500' with the most porous interval likely 300 - 450' thick.

XIII.

Please see Exhibit "F" for Proof of Notice. Included is a map of the Area of Review, list of noticees, certified mail receipts/signature card receipts and the original affidavit of publication from the Hobbs News-Sun for the required public notice.

Danny J. Holcomb 
Agent for Raz Oil and Gas, LLC

Date: 8/19/2016



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**RAZ Oil and Gas LLC
YO State SWD #001
(Re-entry of Osuda 15 State Com #1)
API # 30-025-38162
660 FNL x 840 FWL
Unit Letter 'D', Section 15, T21S, R35E
Lea County, New Mexico
Well Data**

Spud January 15, 2007 as test of the Wolfcamp - Morrow formations.

13-3/8" 48# casing set at 850' in 17-1/2" hole, cemented with 750 sacks cement. Cement circulated to surface.

9-5/8" 40# casing set at 5420' in 12-1/4" hole, cemented 1st stage with 700 sacks cement. Cement circulated off of DV tool. Cemented 2nd stage with 1200 sacks cement. Cement circulated to surface.

Drilled 8-3/4" hole to 12,250' TD. No casing ran.

Well plugged and abandoned June 6-7, 2007:

Plug 1 – 35 sacks 12,250'
Plug 2 – 20 sacks 10,226'
Plug 3 – 45 sacks 7628'
Plug 4 – 50 sacks 5335' – 5428'
Plug 5 – 35 sacks 1856' - 1954'
Plug 6 – 50 sacks 742' - 900'
Plug 7 – 35 sacks 302' – 400'
Plug 8 – 10 sack surface plug

Estimated Formation Tops

Top of Salt – 1957'
Base of Salt – 3502'
Yates – 3900'
Capitan Reef – 4375'
Delaware Sand – 5530'
Bone Springs – 7578'
Wolfcamp – 10,156'
Strawn – 10916'
Atoka – 11300'
Morrow – 11669'
Devonian – 12275'



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EXHIBIT "A"

Current Wellbore Diagram

RAZ OIL AND GAS, L.L.C.

YO STATE SWD #1

API # 30-025-38162

660' FNL X 840' FWL, UL 'D' SEC 15, T21S, R35E, LEA COUNTY N.M.

P & A 6/7/2007

All Depths KB

KB 3603'

GL 3587'

13 3/8" 48# H40

Set @ 850'

Cement to surface: yes

DV Tool @ 4166'

ECP @ 4169'

9 5/8" 40# HCK55

Set @ 5420'

Cement to surface: yes

Open Hole

8 3/4" Hole
TD @ 12250'

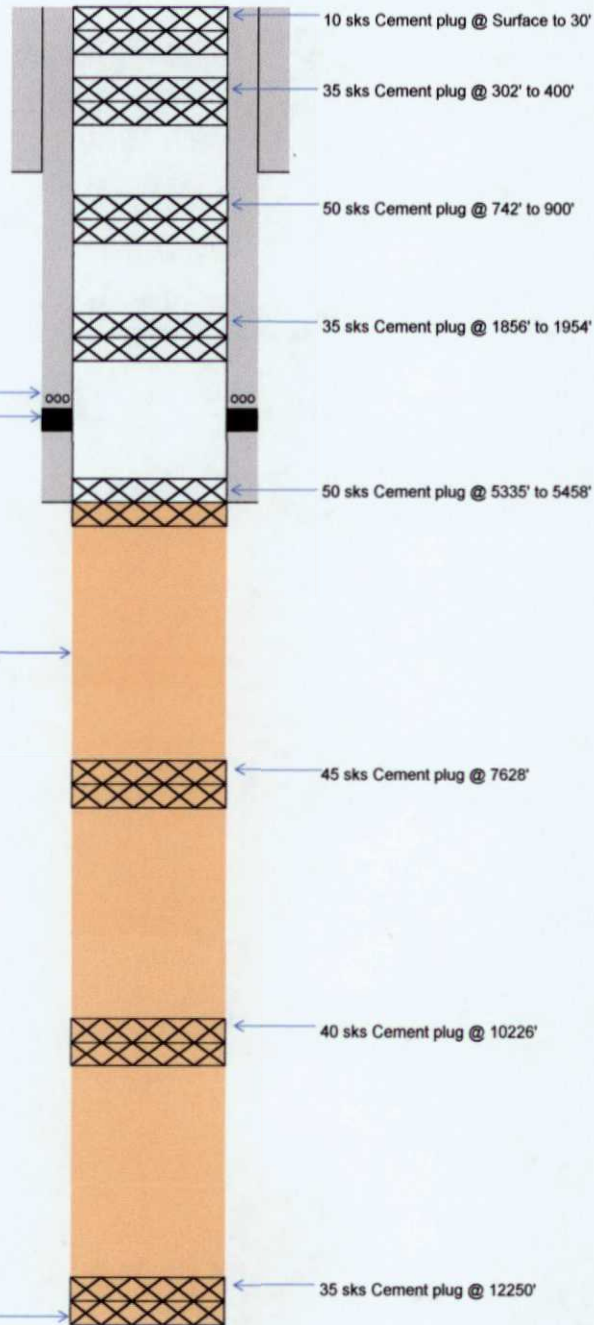


EXHIBIT "A"
Drawing Not to Scale

Drillout Wellbore Diagram

RAZ OIL AND GAS, L.L.C.

YO STATE SWD #1

API # 30-025-38162

660' FNL X 840' FWL, UL 'D' SEC 15, T21S, R35E, LEA COUNTY N.M.

P & A 6/7/2007

All Depths KB

KB 3603'

GL 3587'

13 3/8" 48# H40

Set @ 850'

Cement to surface: yes

DV Tool @ 4166'

ECP @ 4166'

9 5/8" 40# HCK55

Set @ 5420'

Cement to surface: yes

Open Hole

8 3/4" Hole

TD @ 12250'

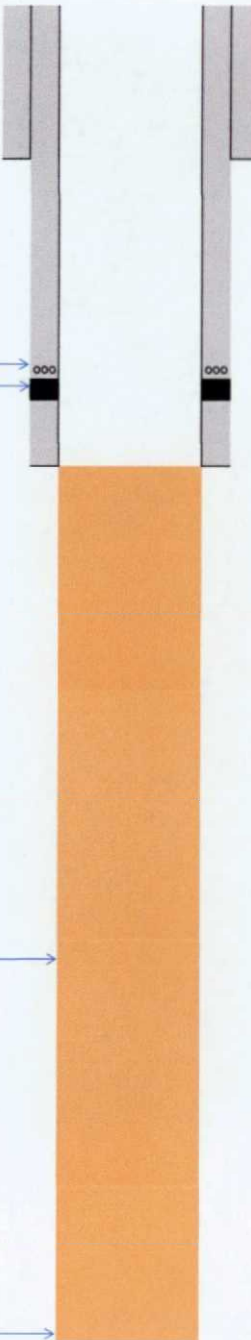


EXHIBIT "A"
Drawing Not to Scale

PROPOSED WELLBORE DIAGRAM

RAZ OIL AND GAS, L.L.C.

YO STATE SWD #1

API # 30-025-38162

660' FNL X 840' FWL, UL 'D' SEC 15, T21S, R35E, LEA COUNTY N.M.

P & A 6/7/2007

All Depths KB

KB 3603'

GL 3587'

13 3/8" 48# H40

Set @ 850'

Cement to surface: yes

Anhydrite 1850'

Top Salt 1945'

Base Salt 3490'

Top SA 4200'

9 5/8" 40# HCK55

Set @ 5420'

Cement to surface: yes

Top Del Sand 5530'

Top Bone Springs 7578'

Top Wolfcamp 10,156'

Original TD @ 12250'

7" 26# HCL-80 & J-55 Csg

Set @ 12560'

Cement to Surface: yes

8 3/4" Hole

New TD @ 13040'

(Btm 40' to allow logging tool to log to 13000')

B1 Slip Type Flange

4 1/2" J55 & L80 11.6# Injection tbg
Internal IPC

DV Tool @ 4166'

ECP @ 4169'

DV Tool @ 5550'

Pkr Fluid in Annulus

DV Tool @ 12485'

Packer Set @ 12535'

7 x 4-1/2 Arrowset Model 1X
(Nickel Coated)

ECP @ 12556'

OH Injection
Devonian Formation
12560'-13000'

(tentative based on DO and logs)

8 3/4" Hole
Open Hole

EXHIBIT "A"
Drawing Not to Scale

RAZ OIL AND GAS, LLC
PROPOSED DRILLOUT, DEEPENING
AND COMPLETION PROCEDURE

Wellname: YO STATE SWD #1

Location: 660' FNL & 840' FWL
Sec 15, T21S, R35E
Lea Co, NM

Date: 7/15/16

Csg Size: 9 5/8" 40# HCK55 (8.679" Drift)

Inj Tbg: 4 1/2" Plastic Lined J55 & L80

Set @: 5420'

Packer Depth: 12525'

Prod Csg: 7" 26# HCL-80 & J55 Csg

Packer Type: ArrowSet 1X (nickel plated)

Prod Depth: 12560' to Surface

Existing Perfs: Open hole

New Perfs: Open hole 12560-13000

Directions: From Eunice, go west on Highway 8 for 5.7 miles, turn west onto Highway 176. Go west for 5.52 miles. Turn north onto dirt road. Go north for .75 miles. Turn west to location.

Procedure:

- 1) Build Location. Set anchors. Start building disposal battery.
- 2) MI backhoe. Dig out around existing wellbore. MI welder. Strip/Peel back 24" Conductor csg and 13-3/8" Surface csg enough to reveal good 9-5/8" csg. Cut off dry hole marker.
- 3) If good 9-5/8" csg is close to surface proceed to step 4. If good 9-5/8" csg is deep, Weld on (inside and outside) a slip type by threaded collar. Install/screw in short joint. Weld short joint and collar. Cut short joint off at ground level.
- 4) Weld on (inside and outside) a slip type 11" x 5K starting head. NU 11" x 11" 5K csg spool.
- 5) MIRU Drilling Rig. RIH w/8-3/4" bit & Drill Cement plugs @
 - Plug #8 from surface to 30'
 - Plug #7 from 302' to 400'
 - Plug #6 from 742' to 900'
 - Plug #5 from 1856' to 1954'
 - Plug #4 from 5335' to 5458'
 - Plug #3 from 7628' to 7740'
 - Plug #2 from 10226' to 10326'
 - Plug #1 from 12250' to 12300'

Continue drilling Devonian formation from 12300 to 13040'. Pull Bit.

EXHIBIT "A"

**RAZ OIL AND GAS, LLC
PROPOSED DRILLOUT, DEEPENING
AND COMPLETION PROCEDURE**

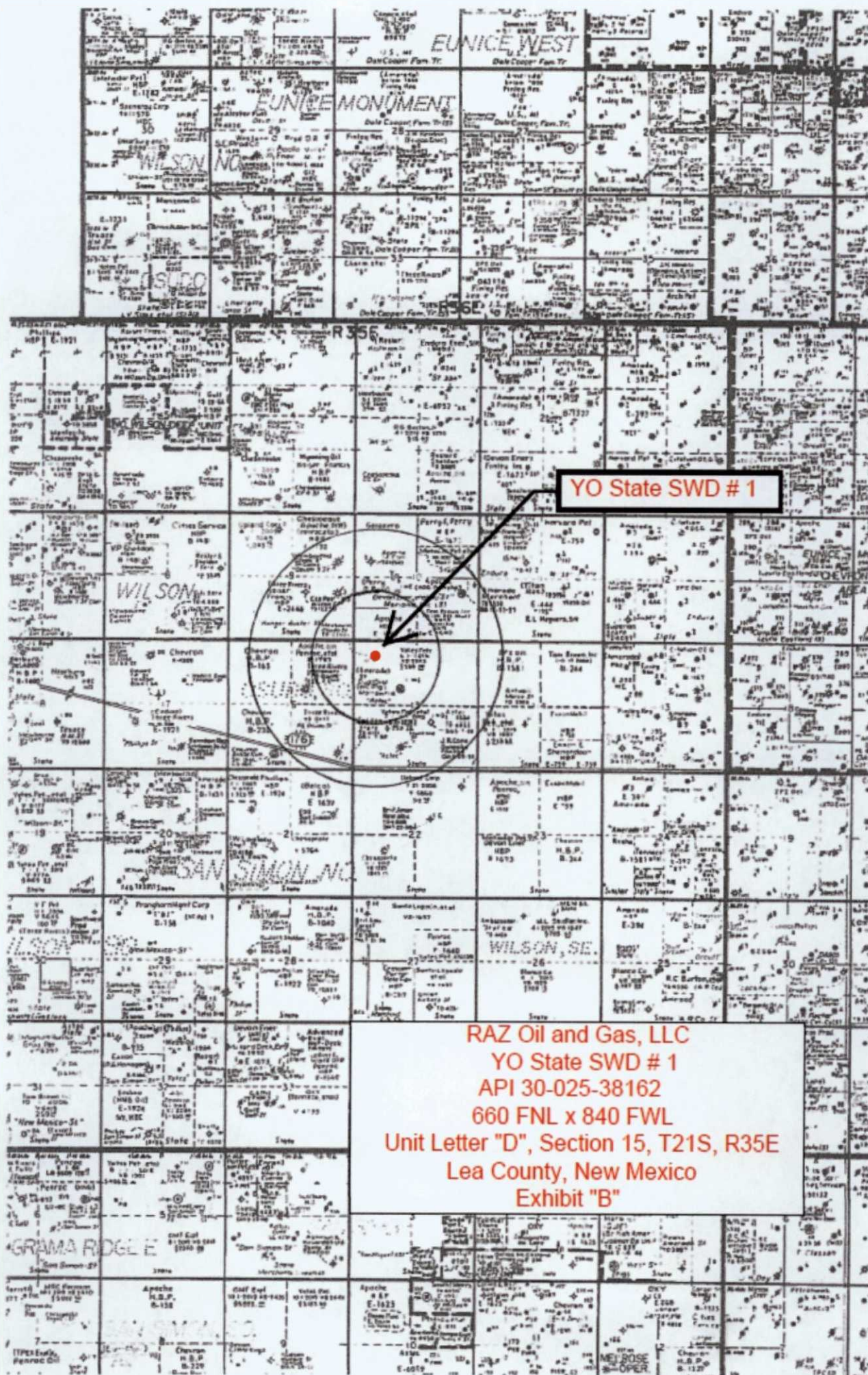
Procedure (con't):

6) Run in w/Csg as follows:

1	Float Shoe	2'
1	Float Collar	2'
1	ECP	25'
1	7" 26# HCL-80 LT&C csg	43.25'
1	DV Tool	3'
107	7" 26# HCL-80 LT&C csg	4696.50'
53	7" 26# J55 LT&C csg	2292.25'
1	DV Tool	3'
24	7" 26# J55 LT&C csg	1038'
103	7" 26# HCL-80 Buttress csg	<u>4455'</u>
	Total	12560'

- 7) MIRU Cement Company. Pump 2 stage cement job to surface.
- 8) Cut off csg & Hang in 11" x 11" spool, NU 11" x 7-1/16" csg spool w/cap flange.
- 9) Move off Drilling Rig.
- 10) MIRU pulling unit. RIH w/6-1/8" Bit & 2-7/8" work string, drilling DV tools to hard bottom @ 13040'. Circulate clean, pull bit.
- 11) Move in Wireline. Log from 13000' to surface with GR, CCL, CBL. Move off Wireline.
- 12) Unload & tally 12525' of 4 1/2" J-55 & L80 Plastic lined tbg. RIH w/ WEG, 7" x 4-1/2" Packer (Nickel Coated), On/Off tool & 4-1/2" J-55 & L80 tbg. Set packer 25' above injection interval @ 12535'.
- 13) Release on/off tool. Load well & circulate w/pkr fluid. Latch back onto pkr with on/off tool. Test annulus to 500#.
- 14) MIRU Acid company. Acidize Formation down tbg with 20000 gals 15% NeFe Acid.
- 15) Establish injection rate & perform step rate test. RDMO Acid Company.
- 16) ND BOP. Hang tbg off in MLE Slip type capping flange. Install 4-1/2" full opening gate valves on tbg. Release all rentals.
- 17) Tie into battery. Start injection.

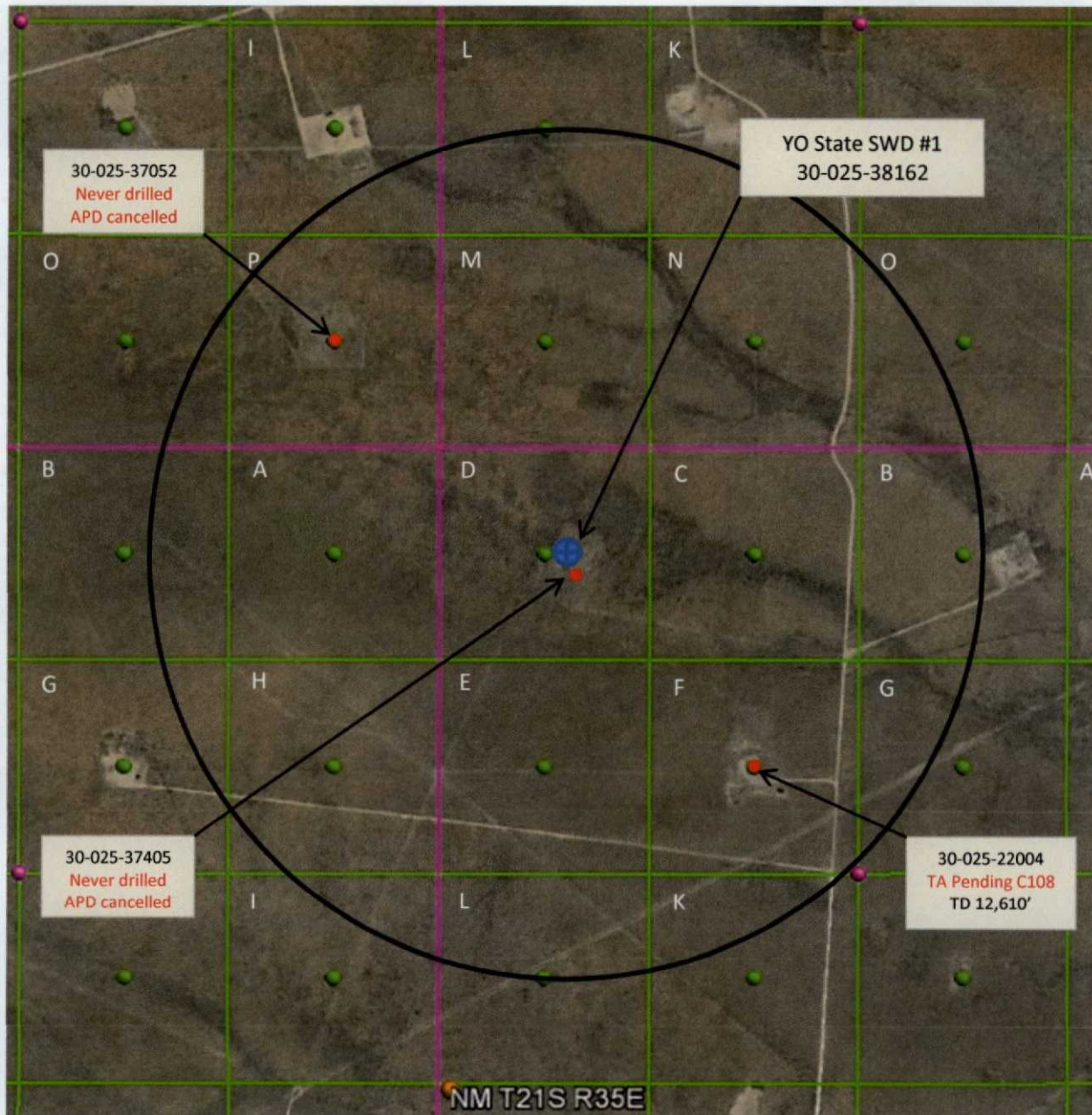
EXHIBIT "A"



Raz Oil and Gas, LLC
YO State SWD #1
API # 30-025-38162
0.5 Mile AOR

Sec 9, T21S, R35E

Sec 10, T21S, R35E



Sec 16, T21S, R35E

Sec 15, T21S, R35E

This location 660 FNL x 840 FWL
Unit Letter D, Section 15, T21S, R35E

EXHIBIT "C"

**Raz Oil and Gas, LLC
YO State SWD #1
API # 30-025-38162
Offset Wells within 0.5 Mile AOR**

Exhibit "C"

UL, Sec, T, R	API Well No.	Well Name	TVD	Wellbore Diagram	Comments
F-15-21S-35E	30-025-22004	State WE K No. 001	12610'	Y	1
D-15-21S-35E	30-025-37405	Aztec No. 002	NA		2
P-9-21S-35E	30-025-37052	Hunger Buster State No. 002	NA		3

There are no producing wells within the 0.5 mile AOR.

1. This well has been TA status since 2006. Ownership was recently transferred to the applicant for possible conversion to a Cherry Canyon-Brushy Canyon SWD well.
2. Well never drilled. APD cancelled in 2006.
3. Well never drilled. APD cancelled in 2005.



www.pwllc.net

OFFSET WELL WITHIN AOR

SDX Resources, Inc.
STATE WE "K" NO. 1

API #30-025-22004

Unit "F", Sec. 15, T-21S, R-35E
LEA COUNTY, NEW MEXICO

11/15/06
XOG Operating, LLC

CIBP @ 10760 + 35' CMT 2

CUT TBG @
10780

Baker Model AS-5 Pkr. at
10,827'

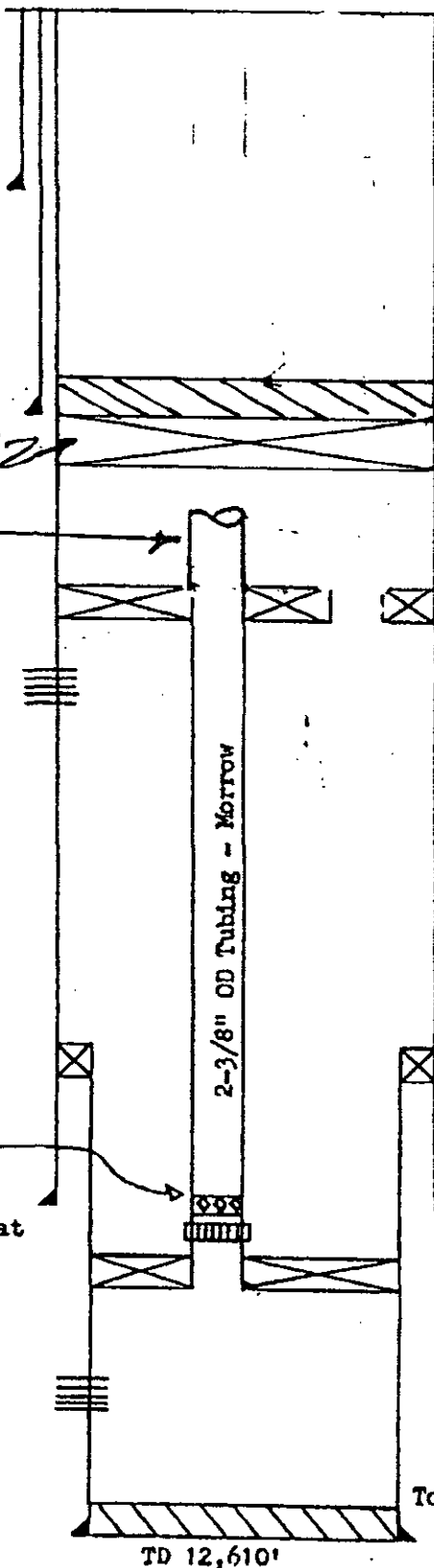
Wolfcamp Perf's
10,899' to 10,951'

WOLF CAMP TUBING
DUE @ 11670'

Baker Model L Sliding Sleeve at
11,733'

Baker Model D Pkr. at 11,740'

Morrow Perf's
12,004' to 12,077'



13-3/8" OD Csg. at 32
Cemented w/400 sx.
Cement Circulated

9-5/8" OD Csg. at 5350
Cemented w/840 sx.
Top of cement 3325'

Top 5" OD Liner at 11,197

7" OD Csg. at 11,370'
Cemented w/600 sx.
Top of cement 8350'

Top cement plug at 12,486'
5" Liner at 12,610'
cemented w/130 sx.

EXHIBIT "C"

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-128
Supersedes C-128
Effective 1-1-65

HOBBS OFFICE O. C. C.

All distances must be from the outer boundaries of the Section.

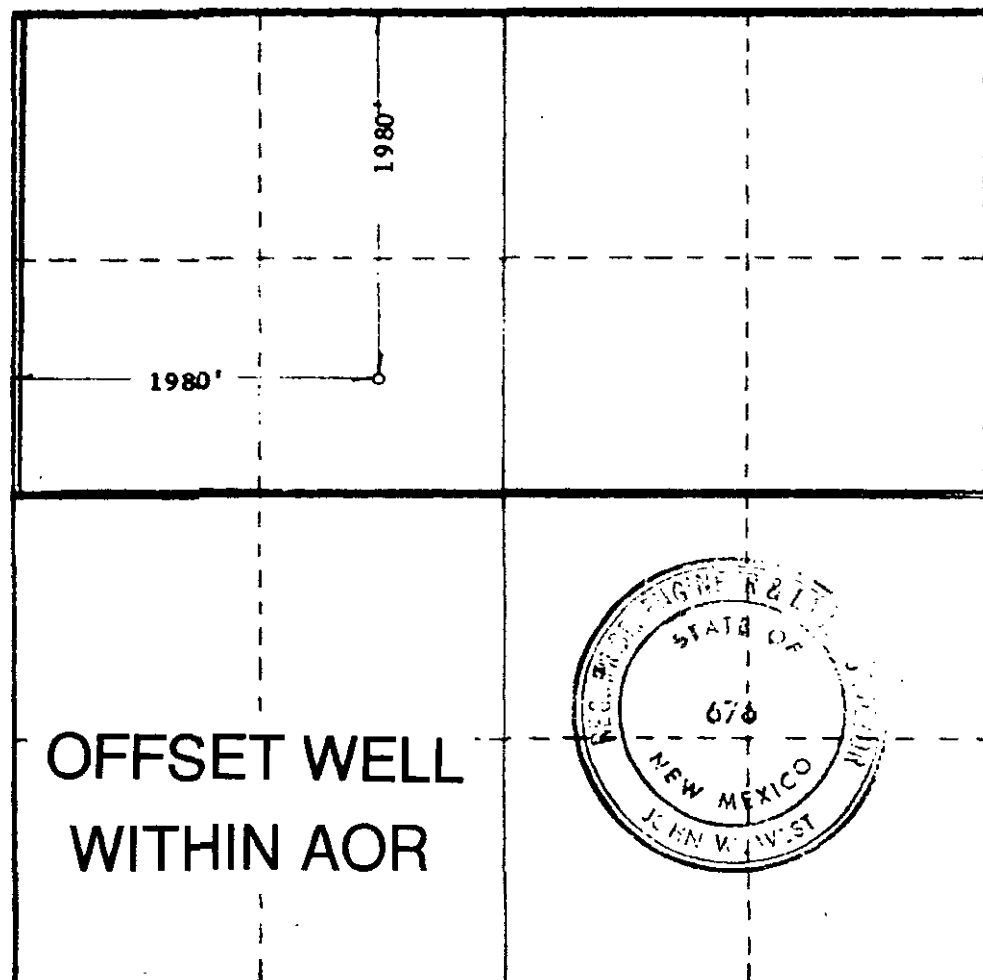
Operator AMERADA PETROLEUM CORPORATION			Lease JAN 5 - 1-25 PM '67		Well No. 1
Unit Letter F	Section 15	Township 21 SOUTH	Range 35 EAST	County LEA	
Actual Footage Location of Well: 1980 feet from the NORTH line and 1980 feet from the WEST line					
Ground Level Elev.	Producing Formation ANCON	Pool ANCON - South Grade Area		Dedicated to use: 320	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
B. J. King

Position
District Superintendent

Company
Amerada Petroleum Corporation

Date
January 4, 1967

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
1-4-67

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **676**

EXHIBIT "C"

**Raz Oil and Gas, LLC
YO State SWD #001
API # 30-025-38162
660 FNL x 840 FWL
Unit Letter 'D', Section 15, T21S, R35E
Lea County, New Mexico**

Exhibit "D"

Formation Water			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-02431	Devonian	33,414	18,570

Possible Disposed Fluid			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-03475	Seven Rivers	103,920	59,400
30-025-03506	Artesia	40,200	20,700
30-025-02431	Devonian	33,414	18,570
30-025-20377	Bone Springs	173,141	93,660
30-025-04561	GBG/SA	149,764	94,400
30-025-02427	Del Mtn	214,787	132,700

Data obtained from GO-Tech.



www.pwllc.net

RAZ Oil and Gas LLC
YO State SWD #001
API # 30-025-38162
660 FNL x 840 FWL
Unit Letter 'D', Section 15, T21S, R35E
Lea County, New Mexico

Exhibit "E"

Ground Water

<u>POD Number</u>	<u>Location</u>	<u>Well Depth</u>	<u>Water Depth</u>	<u>Sample Date</u>	<u>TDS</u>	<u>Chlorides</u>	<u>Note</u>
CP-00587	Sec 14, T21S, R35E	250 ft	unk	11/12/65	unk	102	1
CP-00587	Sec 14, T21S, R35E	250 ft	unk	10/7/76	unk	99	1
CP-00587	Sec 14, T21S, R35E	250 ft	unk	12/19/79	unk	96	1
CP-00587	Sec 14, T21S, R35E	250 ft	unk	11/8/84	unk	98	1
CP-00587	Sec 14, T21S, R35E	250 ft	unk	7/9/90	unk	200	1
CP-00587	Sec 14, T21S, R35E	250 ft	unk	10/12/95	unk	112	1
CP-00587	Sec 14, T21S, R35E	250 ft	unk	6/7/15	860	92	2

- 1 - Data obtained from GO-Tech.
 2 - Data from Cardinal Lab report.



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

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is

closed) (quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-	Code	basin	County	Q	Q	Q	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
CP 00587		LE			1	1	14	21S	35E		655531	3595337*	250		

Average Depth to Water: -

Minimum Depth: -

Maximum Depth: -

Record Count: 1

PLSS Search:

Section(s): 9-16

Township: 21S

Range: 35E

EXHIBIT "E"

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

7/5/16 10:05 AM

Ground Water Samples Query

Water Sample Search

SECTION 14 ▼

Township 21S ▼

Range 35E ▼

Formation

DATE

CHLORIDE (mg/L)

Find

Export Data

Water Samples for TOWNSHIP 21S RANGE 35E SECTION 14

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	6	14	21S	35E	21S.35E.14.11111

Water Samples for Township 21SRANGE 35E Section 14 Location 21S.35E.14.11111

Operation	SampleID	Township	Range	Section	Formation	Location	Date	Chlorides
elect	3602	21S	35E	14	CHINLE	21S.35E.14.11111	10/7/1976	99
elect	3685	21S	35E	14	CHINLE	21S.35E.14.11111	11/2/1965	102
elect	3357	21S	35E	14	CHINLE	21S.35E.14.11111	12/19/1979	96
elect	3226	21S	35E	14	CHINLE	21S.35E.14.11111	7/9/1990	200
elect	3057	21S	35E	14	CHINLE	21S.35E.14.11111	11/8/1984	98
elect	2512	21S	35E	14	CHINLE	21S.35E.14.11111	10/11/1995	112

EXHIBIT "E"

Analytical Results For:

 RAZ OIL & GAS
 BEN THOMPSON
 P. O. BOX 1180
 EUNICE NM, 88231
 Fax To: NONE GIVEN

 Received: 06/08/2015
 Reported: 06/12/2015
 Project Name: WATER WELL CP00587
 Project Number: NONE GIVEN
 Project Location: LEA COUNTY, NM

 Sampling Date: 06/07/2015
 Sampling Type: Water
 Sampling Condition: ** (See Notes)
 Sample Received By: Jodi Henson

Sample ID: WELL WATER (H501468-01)

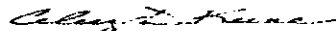
Chloride, SM4500Cl-B		mg/L		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride*	92.0	4.00	06/09/2015	ND	104	104	100	0.00		
TDS 160.1		mg/L		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TDS*	860	5.00	06/11/2015	ND	552	105	527	1.35		

EXHIBIT "E"

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Legal Notice

Raz Oil and Gas, LLC, 1110 Texas Ave, PO Box 1180, Eunice, NM 88231 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to amend Administrative Order SWD-1594 on the YO State SWD #1, API 30-025-38162, 660 FNL x 840 FWL, Unit Letter "D", Section 15, T21S, R35E, Lea County, New Mexico to change the proposed disposal interval from the Cherry Canyon-Brushy Canyon formations to the Devonian formation. The proposed new disposal interval would be the Devonian formation through open hole from approximately 12,275' – 13,000'. These depths are planned depths based on geological review. Actual depths will be finalized after the well is deepened to penetrate the Devonian formation then logged. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate would be 10,000 BWPD with a maximum rate of 21,000 BWPD. Anticipated disposal pressure would be 0 (zero) psi with a maximum disposal pressure of 2455 psi. The well is located approximately 6 miles WSW of Oil Center, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Ben Thompson 575-394-1046.

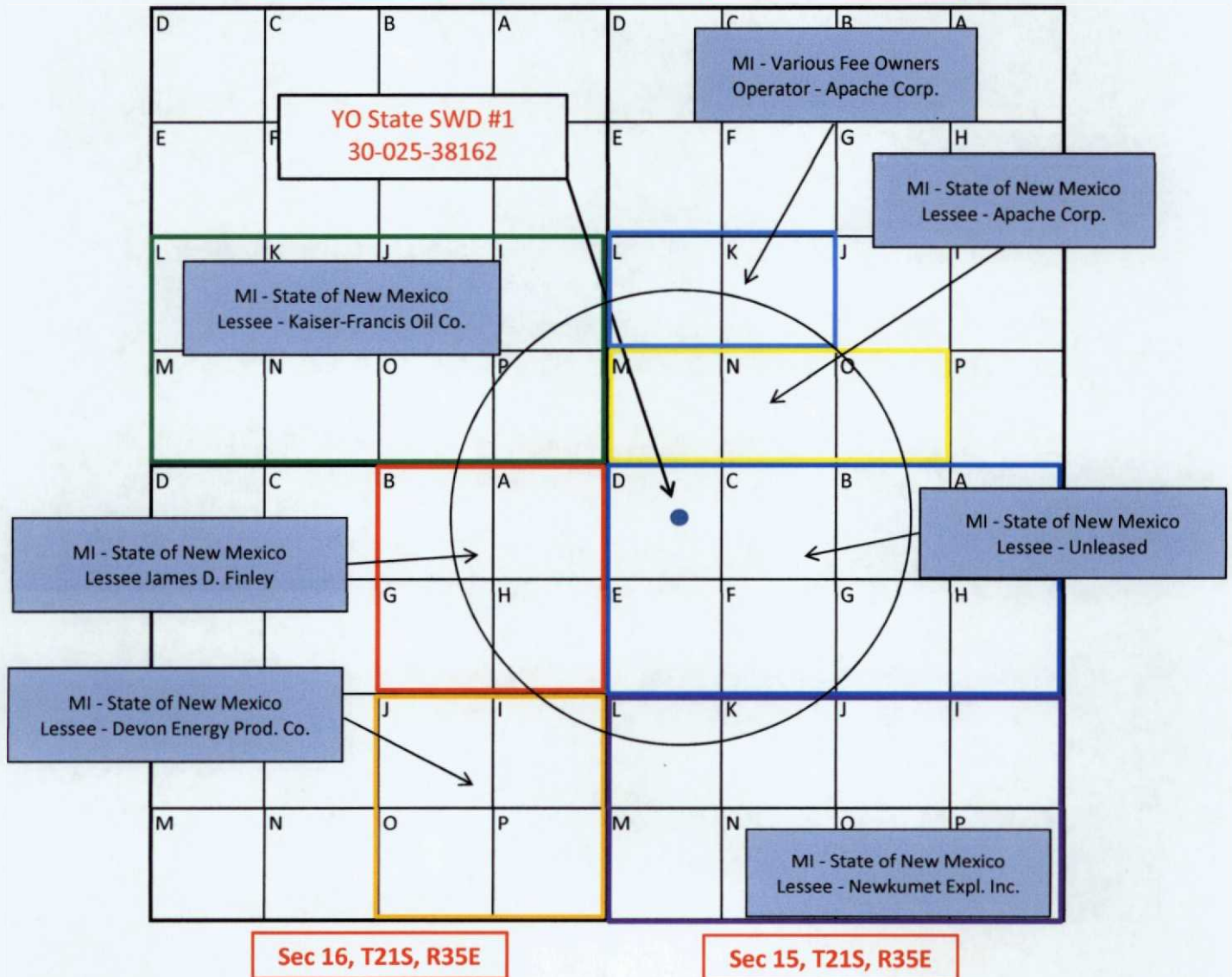
**The above legal notice was printed in the Hobbs News-Sun newspaper on
August 20, 2016.**

Exhibit "F"

Raz Oil and Gas LLC
YO State SWD #1
API # 30-025-38162
0.5 Mile AOR

Sec 9, T21S, R35E

Sec 10, T21S, R35E



This location 660 FNL X 840 FWL
Surface owner - State of New Mexico, Lessee - Merchant Livestock Co.,
PO Box 1105, Eunice, NM 88231-1105
Drawing not to scale

Exhibit "F"

**Raz Oil and Gas, LLC
YO State SWD #1
API #30-025-38162**

EXHIBIT "F" Notification List

SECTION 15, T21S, R35E, NMPM (ULs D)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Surf Owner
2	Merchant Livestock Company	P. O. Box 1105	Eunice, NM 88231-1105	Surf Lessee

SECTION 9, T21S, R35E, NMPM (ULs I, O, P)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Min Owner
2	Kaiser-Francis Oil Company	P. O. Box 21468	Tulsa, OK 74121	Lessee/Oper

SECTION 10, T21S, R35E, NMPM (ULs K, L)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
	Various Fee Owners			Min Owner
1	Apache Corporation	2000 Post Oak Blvd., Suite 100	Houston, TX 77056-4400	Operator

SECTION 10, T21S, R35E, NMPM (ULs M, N, O)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Min Owner
2	Apache Corporation	2000 Post Oak Blvd, Suite 100	Houston, TX 77056-4400	Lessee/Oper

SECTION 15, T21S, R35E, NMPM (N2)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Min Owner
2	Unleased acreage			

SECTION 15, T21S, R35E, NMPM (S2)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Min Owner
2	Newkumet Exploration, Inc.	P.O. Box 11330	Midland, TX 79702	Lessee/Oper

**Raz Oil and Gas, LLC
YO State SWD #1
API #30-025-38162**

EXHIBIT "F" Notification List

SECTION 16, T21S, R35E, NMPM (ULs A, B, G, H)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Min Owner
2	James D. Finley	1308 Lake Street, Suite 200	Ft. Worth, TX 76102	Lessee/Oper

SECTION 16, T21S, R35E, NMPM (UL I)

#	NAME	ADDRESS STREET	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504	Min Owner
2	Devon Energy Production	333 W. Sheridan	Oklahoma City, OK 73102	Lessee/Oper

NMOCD Noticees

	NAME	ADDRESS STREET	CITY STATE ZIP
1	State of New Mexico NMOCD Engineering Bureau	1220 South St. Francis Drive	Santa Fe, NM 87505
2	State of New Mexico NMOCD District 1	1625 N. French Drive	Hobbs, NM 88240

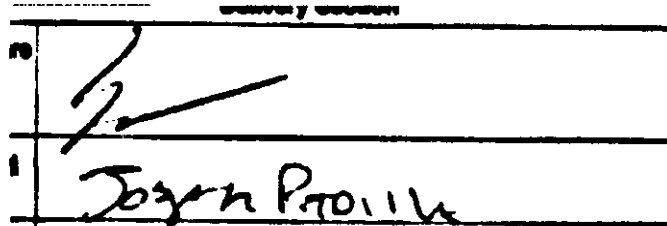


Date: August 23, 2016

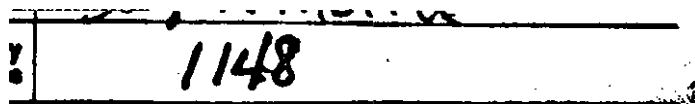
Danny Holcomb:

The following is in response to your August 23, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918365. The delivery record shows that this item was delivered on August 23, 2016 at 7:55 am in SANTA FE, NM 87504. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

7015 0640 0000 3691 8365

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
SANTA FE, NM 87504	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.78
Total Postage and Fees	\$5.08
Sent To	State of New Mexico
Street and Apt. No.	Commissioner of Public Land
City, State, ZIP+4®	P. O. Box 1148
	Santa Fe, NM 87504

PS Form 3800, A

0206 01

Postmark Here

08/19/2016



Date: August 23, 2016

Danny Holcomb:

The following is in response to your August 23, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918358. The delivery record shows that this item was delivered on August 23, 2016 at 9:54 am in EUNICE, NM 88231. The scanned image of the recipient information is provided below.

Signature of Recipient :

Luann H Pearson
Luann H Pearson

Address of Recipient :

PO Box 1105

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
EUNICE, NM 88231	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.36
Total Postage and	\$4.66
Sent To	Merchant Livestock Company
Street and Apt. No.	P. O. Box 1105
City, State, ZIP+4®	Eunice, NM 88231-1105
PS Form 3800®A	

7015 0640 0000 3691 8358

0206
01
Postmark
Here
08/19/2016



Date: August 23, 2016

Danny Holcomb:

The following is in response to your August 23, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918341. The delivery record shows that this item was delivered on August 23, 2016 at 3:21 am in TULSA, OK 74101. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient: [Redacted] Smith
[Redacted] Smith

Address of Recipient :

Address of Recipient: [Redacted]

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

7015 0640 0000 3691 8341

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
TULSA, OK 74121	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.36
Total Postage and Fees	\$4.66
Sent To	Kaiser-Francis Oil Company
Street and Apt. No.	P. O. Box 21468
City, State, ZIP+4®	Tulsa, OK 74121
PS Form 3800, Apr. 2010	

0206 01
Postmark Here
08/19/2016

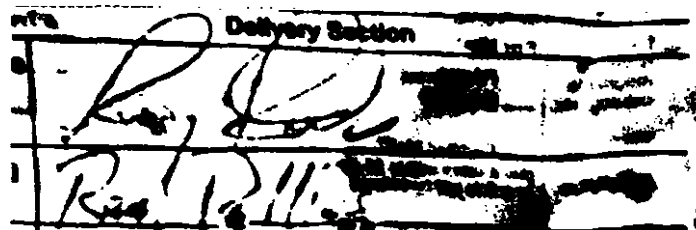


Date: August 23, 2016

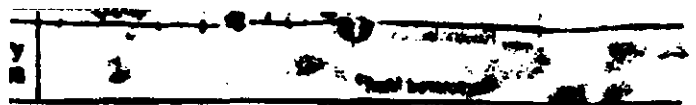
Danny Holcomb:

The following is in response to your August 23, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918327. The delivery record shows that this item was delivered on August 22, 2016 at 11:06 am in NACOGDOCHES, TX 75965. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

7015 0640 0000 3691 8327

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
HOUSTON, TX 77056	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.36
Total Postage and	\$4.66
Sent To	Apache Corporation
Street and Apt. No.	2000 Post Oak Blvd, Suite 100
City, State, ZIP+4®	Houston, TX 77056-4400

PS Form 3800, MAY 2015

0206 01

Postmark Here

08/19/2016



Date: August 29, 2016

Danny Holcomb:

The following is in response to your August 24, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918334. The delivery record shows that this item was delivered on August 29, 2016 at 4:09 pm in MIDLAND, TX 79701. There is no delivery signature on file for this item.

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

See tracking report attached.

7015 0640 0000 3691 8334

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
MIDLAND, TX 79702	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.36
Total Postage and Fees	\$4.66
Sent To	Newkumet Exploration, Inc
Street and Apt. No.	P. O. Box 11330
City, State, ZIP+4®	Midland, TX 79702
PS Form 3800, Apr.	

0206
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08/19/2016



USPS Tracking®

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Browse our FAQs »



Get Easy Tracking Updates »
Sign up for My USPS.

Tracking Number: 70150640000036918334



Delivered

Product & Tracking Information

Postal Product:
First-Class Mail®

Features:
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
August 29, 2016, 4:09 pm	Delivered	MIDLAND, TX 79701

Your item was delivered at 4:09 pm on August 29, 2016 in MIDLAND, TX 79701.

August 24, 2016, 2:47 pm	Available for Pickup	MIDLAND, TX 79702
August 24, 2016, 2:46 pm	Arrived at Unit	MIDLAND, TX 79701
August 22, 2016, 1:36 am	Departed USPS Destination Facility	MIDLAND, TX 79711
August 20, 2016, 1:12 pm	Arrived at USPS Destination Facility	MIDLAND, TX 79711
August 20, 2016, 2:56 am	Departed USPS Facility	AMARILLO, TX 79120
August 19, 2016, 10:13 pm	Arrived at USPS Origin Facility	AMARILLO, TX 79120
August 19, 2016, 9:20 pm	Departed Post Office	AMARILLO, TX 79124
August 19, 2016, 3:30 pm	Acceptance	AMARILLO, TX 79124

Available Actions

Return Receipt Electronic

Text Updates

Email Updates



Track Another Package

Tracking (or receipt) number

Track It

Manage Incoming Packages

Track all your packages from a dashboard. No tracking numbers necessary.

Sign up for My USPS »



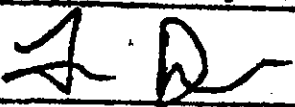


Date: August 23, 2016

Danny Holcomb:

The following is in response to your August 23, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918297. The delivery record shows that this item was delivered on August 23, 2016 at 9:42 am in FORT WORTH, TX 76102. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	
Printed Name	Tara Donaldson

Address of Recipient :

Delivery Address	1308 Lake
------------------	-----------

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

U.S. Postal Service™	
CERTIFIED MAIL® RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
FORT WORTH, TX 76102	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.36
Total Postage and Fees	\$4.66
Sent To	James D. Finley
Street and Apt. No.	1308 Lake Street, Suite 200
City, State, ZIP+4®	Ft Worth, TX 76102
PS Form 3800, Apr 2010	

7015 0640 0000 3691 8297

0206 01

Postmark Here

08/19/2016



Date: August 22, 2016

Danny Holcomb:

The following is in response to your August 22, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918303. The delivery record shows that this item was delivered on August 22, 2016 at 7:56 am in OKLAHOMA CITY, OK 73102. The scanned image of the recipient information is provided below.

Signature of Recipient :

www.usps.com/redelivery or 800-ASK-USPS (275-8777)
Delivery Section
X Sterling Clifford S. Aford
Sterling Aford

Address of Recipient :

333 W Sheridan

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

7015 0640 0000 3691 8303

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OKLAHOMA CITY, OK 73102	
OFFICIAL USE	
Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.36
Total Postage and Fees	\$4.66
Sent To	Devon Energy Production Co
Street and Apt. No.	333 W. Sheridan
City, State, ZIP+4®	Oklahoma City, OK 73102
PS Form 3800, 4	

0206
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Postmark
Here
08/19/2016



Date: August 22, 2016

Danny Holcomb:

The following is in response to your August 22, 2016 request for delivery information on your Certified Mail™ item number 70150640000036918310. The delivery record shows that this item was delivered on August 22, 2016 at 9:41 am in HOBBS, NM 88240. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient :

1625 N. French Drive

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

HOBBS, NM 88240

OFFICIAL USE

Certified Mail Fee	\$3.30
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.78
Total Postage and Fees	\$5.08

Sent To
Street and Apt. No.
City, State, ZIP+4®

State of New Mexico
NMOCD District 1
1625 N. French Drive
Hobbs, NM 88240

0206 01
Postmark Here
08/19/2016

PS Form 3800, Apr. 2015

7015 0640 0000 3691 8310

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

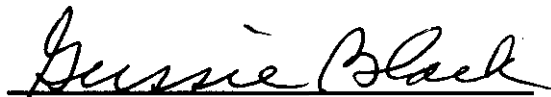
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 20, 2016
and ending with the issue dated
August 20, 2016.



Publisher

Sworn and subscribed to before me this
20th day of August 2016.

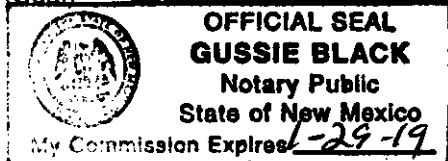


Business Manager

My commission expires

January 26, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGALS

LEGAL NOTICE August 20, 2016

Raz Oil and Gas, LLC, 1110 Texas Ave, PO Box 1180, Eunice, NM 88231 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to amend Administrative Order SWD-1594 on the YO State SWD-#1, API 30-025-38162, 660 FNL x 840 FWL, Unit Letter "D", Section 15, T21S, R35E, Lea County, New Mexico to change the proposed disposal interval from the Cherry Canyon Brushy Canyon formations to the Devonian formation. The proposed new disposal interval would be the Devonian formation through open hole from approximately 12,275' - 13,000'. These depths are planned depths based on geological review. Actual depths will be finalized after the well is deepened to penetrate the Devonian formation then logged. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate would be 10,000 BWPd with a maximum rate of 21,000 BWPd. Anticipated disposal pressure would be 0 (zero) psi with a maximum disposal pressure of 2455 psi. The well is located approximately 6 miles WSW of Oil Center, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St, Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Ben Thompson 575-394-1046.
#31172

02107812

00179918

BILLY E./SHARON PRICHARD
PUEBLO WEST LLC
125 GREENHOUSE VILLAGE
DECATUR, TX 76234

Goetze, Phillip, EMNRD

From: Holm, Anchor <aholm@slo.state.nm.us>
Sent: Wednesday, August 31, 2016 11:39 AM
To: Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD
Cc: Montoya, Kenda; Khalsa, Niranjana K.; Martin, Ed
Subject: RAZ Oil & Gas - YO State SWD #1 reEntry of Osudo 15 State Com #1 (30-025-38162) drill deeper to Devonian.

Phil and Michael,

After review of the C108 application of this well and offset wells, the top of the proposed SWD zone (12,275') is very comparable to the base of oil and gas production (12,260') from the 30-025-30708 well, located in the NE/4 of Section 16 (~1/2 mile west of the proposed SWD well). This proposed SWD disposal interval is a resource concern to the State Land Office Trust Minerals. This office believes that the top of the proposed SWD zone must start at a depth of 12,560' or deeper, in order to protect the resources of the State Land Trust.

Regards,

Anchor E. Holm
Geoscientist/Petroleum Engineering Specialist
Oil Gas & Minerals Division
505.827.5759
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
aholm@slo.state.nm.us
nmstatelands.org



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McMillan, Michael, EMNRD

From: Martin, Ed <emartin@slo.state.nm.us>
Sent: Wednesday, September 21, 2016 2:45 PM
To: Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD
Cc: danny@pwllc.net; Holm, Anchor E.
Subject: FW: [FWD: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1]

The New Mexico State Land Office formally rescinds its objection in this matter.

Ed Martin
Oil and Gas Manager
Oil Gas and Minerals Division
505.827.5746
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
emartin@slo.state.nm.us



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From: Holm, Anchor
Sent: Wednesday, September 21, 2016 1:52 PM
To: Martin, Ed <emartin@slo.state.nm.us>
Subject: FW: [FWD: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1]

Please respond for the SLO. Anchor

From: danny@pwllc.net [mailto:danny@pwllc.net]
Sent: Wednesday, September 21, 2016 10:07 AM
To: Holm, Anchor <aholm@slo.state.nm.us>
Cc: Martin, Ed <emartin@slo.state.nm.us>; Michael McMillan <Michael.McMillan@state.nm.us>; William Jones <WilliamV.Jones@state.nm.us>
Subject: [FWD: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1]

Mr. Holm,
With Raz Oil and Gas, LLC's decision to modify the top of the injection interval to 12,560' or deeper on the proposed Devonian SWD well, we respectfully request that the State Land Office formally rescind its protest of the C108 application on the subject well.
Thank you,
Danny J. Holcomb
Pueblo West, LLC
Cell: 806-471-5628
Email: danny@pwllc.net

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

Subject: RE: Protested application Raz Oil and Gas YO State SWD Well No.

1

From: "Holm, Anchor" <aholm@slo.state.nm.us>

Date: Wed, September 21, 2016 8:50 am

To: "danny@pwillc.net" <danny@pwillc.net>, "Jones, William V, EMNRD"

<WilliamV.Jones@state.nm.us>

Cc: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us> ,

"Martin, Ed" <emartin@slo.state.nm.us>, "Khalsa, Niranjan"

<nkhalsa@slo.state.nm.us>

Will,

Thanks for the good work and information,

Anchor E. Holm



Geoscientist/Petroleum Engineering Specialist

Oil Gas & Minerals Division

505.827.5759

New Mexico State Land Office

310 Old Santa Fe Trail

P.O. Box 1148

 Santa Fe, NM 87504-1148

aholm@slo.state.nm.us

nmstatelands.org

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From: danny@pwillc.net [<mailto:danny@pwillc.net>]

Sent: Tuesday, September 20, 2016 1:31 PM

To: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>

Cc: Holm, Anchor <aholm@slo.state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Subject: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1

Will,

To answer your questions, please see my responses in red font below. Thank you for your help. I hope Michael gets to feeling better soon.

Thank you,

Danny J. Holcomb

Pueblo West, LLC

Cell: 806-471-5628

Email: danny@pwillc.net

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

Subject: RE: Protested application Raz Oil and Gas YO State SWD Well No.

1

From: "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>

Date: Tue, September 20, 2016 12:46 pm

To: "danny@pwillc.net" <danny@pwillc.net>

Cc: "Holm, Anchor E." <aholm@slo.state.nm.us>, "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>

Hi Danny,

Mike must have gone home sick suddenly yesterday and is still out today.

Hope he is alright ~ I forgot my cell phone at home today, so he probably can't reach me.

Not to get into his business, but:

I would not ask for a re-noticing for this small of a change which was negotiated between parties, Unless it extends now down into another deeper named formation?

I am not familiar with this application so my usual uninformed questions (If Mike has already looked at this, ignore the following questions):

Is there some sort of structure for the Devonian? Where does this well sit on that structure? The subject well did not penetrate the Devonian formation. TD is at 12250'. The deepest formation penetrated was the Morrow. The geologist on this application believes the Devonian will be encountered within a few hundred feet of TD. The plan is to drill out and log the Devonian to identify structure.

This well is located close to the transition zone between the Delaware and Central Basins. There are few wells in the area that penetrated the Devonian. See attached the files titled "Devonian Offsets to YO State No. 1.docx" and "YO State SWD #1 Area Formation Tops.xlsx".

Was the Devonian tested as wet at this location? Where is the original oil-water contact in this water drive reservoir? See response above.

Does the structure extend to deeper formations which may be productive?

(sometimes in depleted Devonian SWD applications, there may be a productive interval deeper mirroring the Devonian) The only identified formations below the Devonian in this area are:

- 1) Silurian (about 800' below the top of the Devonian)*
- 2) Simpson (about 1800' below the top of the Devonian)*
- 3) McKee (about 2000' below the top of the Devonian)*

Silurian - Owl has an SWD well in this area in the Silurian (see 30-025-43319). The only Silurian production I could find in the area is approx. 15 miles east in the McCormick; Silurian at 7132' - 7158', but it is obviously updip of the subject well due to being located on the Central Basin Platform.

McKee - The McKee was productive for a couple of years before watering out in a Paladin well (30-025-37122) approximately 16.4 miles NNW of the subject well. This well is now a Miss-Dev SWD well (10858' - 12400'). However, the McKee formation is located about 2000' below the Devonian.

Based on this limited data, I can find no deeper productive formations that are in close proximity to the Devonian in this area.

Regards,

Will

From: danny@pwillc.net [mailto:danny@pwillc.net]

Sent: Tuesday, September 20, 2016 11:35 AM

To: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>

Subject: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1

Will,

Michael is apparently out of the office. I have not received his reply concerning this question. I called and left a message for him yesterday. In his absence, could you please advise if this small change in injection interval requires a modified C108, notices, etc? Thanks for your help.

Thank you,

Danny J. Holcomb

Pueblo West, LLC

Cell: 806-471-5628

Email: danny@pwillc.net

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

Subject: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1

From: <danny@pwillc.net>

Date: Fri, September 16, 2016 9:17 am

To: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>

Cc: "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, "Anchor Holm" <aholm@slo.state.nm.us>

Michael,

Raz Oil and Gas, LLC has agreed to modify its proposed injection interval on the subject well to resolve the SLO's protest. The injection interval will be changed from 12,275' - 13,000 to 12,560' - 13,300'. The new top of the injection interval will be minimum of 12,560', possibly deeper depending on logs.

Please advise if you need an amended C-108 reflecting this change or if this email suffices.

Thank you,

Danny J. Holcomb

Pueblo West, LLC

Cell: 806-471-5628

Email: danny@pwillc.net

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

Subject: Protested application Raz Oil and Gas YO State SWD Well No. 1

From: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>

Date: Thu, September 08, 2016 11:35 am

To: "danny@pwllc.net" <danny@pwllc.net>
Cc: "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>, "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>

RE: Raz Oil and Gas LLC; YO State SWD Well No. 1 (API 30-025-38162;
UL D, Sec 15, T21S, R35E, NMPM);
Issue: Protested SWD Application

Danny:

OCD was notified that Anchor Holm Geologist with the New Mexico State Land Office is protesting these applications for approval for a Salt Water Disposal Well. This party is identified as an affected person for the proposed Salt-water disposal well..

Therefore, you are being notified that Hunt Cimarron Limited Partnership wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained by OCD, but suspended from further administrative review.

Please contact OCD once you have made a decision regarding the application within the next 30 days. If the protest remains after 30 days, OCD will initiate the process for the application to be reviewed at hearing. Please call/e-mail me with any questions regarding this matter.

Contact Information:

Anchor E. Holm
Geoscientist/Petroleum Engineering Specialist
Oil Gas & Minerals Division
505.827.5759
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
aholm@slo.state.nm.us
nmstatelands.org

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division
1220 south St. Francis Dr., Santa Fe NM 87505
O; 505.476.3448
Michael.McMillan@state.nm.us

MICHAEL A. MCMILLAN

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1220 south St. Francis Dr., Santa Fe NM 87505
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McMillan, Michael, EMNRD

From: Holm, Anchor <aholm@slo.state.nm.us>
Sent: Wednesday, August 31, 2016 11:39 AM
To: Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD
Cc: Montoya, Kenda; Khalsa, Niranjn K.; Martin, Ed
Subject: RAZ Oil & Gas - YO State SWD #1 reEntry of Osudo 15 State Com #1 (30-025-38162) drill deeper to Devonian.

Phil and Michael,

After review of the C108 application of this well and offset wells, the top of the proposed SWD zone (12,275') is very comparable to the base of oil and gas production (12,260') from the 30-025-30708 well, located in the NE/4 of Section 16 (~1/2 mile west of the proposed SWD well). This proposed SWD disposal interval is a resource concern to the State Land Office Trust Minerals. This office believes that the top of the proposed SWD zone must start at a depth of 12,560', or deeper, in order to protect the resources of the State Land Trust.

Regards,

Anchor E. Holm
Geoscientist/Petroleum Engineering Specialist
Oil Gas & Minerals Division
505.827.5759
New Mexico State Land Office
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McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Thursday, October 6, 2016 3:03 PM
To: 'danny@pwllc.net'
Cc: Sanchez, Daniel J., EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Lowe, Leonard, EMNRD
Subject: RE: [FWD: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1] 5.9 compliance problems.

Danny:

Raz Oil and Gas is out of 5.9 compliance, because they operate one well and it is inactive. Therefore your permit cannot be issued. Your application shall be cancelled.

OCD 5.9 compliance rules allow for 2 inactive wells or 50 percent of the wells the operator operates, whichever is less.

Thank You

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division
1220 south St. Francis Dr., Santa Fe NM 87505
O; 505.476.3448
Michael.McMillan@state.nm.us

From: danny@pwllc.net [mailto:danny@pwllc.net]
Sent: Wednesday, September 28, 2016 5:04 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: [FWD: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1]

Michael,
See attached revised page 3.

Danny J. Holcomb
Pueblo West, LLC
Cell: 806-471-5628
Email: danny@pwllc.net

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

Subject: RE: [FWD: RE: Protested application Raz Oil and Gas YO State SWD Well No. 1]
From: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>
Date: Wed, September 28, 2016 4:21 pm
To: "danny@pwllc.net" <danny@pwllc.net>

Update tops on page 3-specifically your projected Ms. And Dev tops
Mike

ORDER TYPE: WFX / PMX SWD Number: _____ Order Date: _____ Legacy Permits/Orders: _____Well No. 1 Well Name(s): YOSTATES WJAPI: 30-0 25-38162 Spud Date: 1/5/2007 New or Old: N (UIC Class II Primacy 03/07/1982)Footages 660FWL 840FWL Lot _____ or Unit D Sec 15 Tsp 21S Rge 3SE County LeaGeneral Location: 2 1/2 miles SW Hobbs Pool SWD, Devlin Pool No.: 96101BLM 100K Map: 106065 Operator: RAZ Oil and GAS LLC OGRID: 370507 Contact: Danny Holcomb, agentCOMPLIANCE RULE 5.9: Total Wells: 0 Inactive: 0 Fincl Assur: Y Compl. Order? NA IS 5.9 OK? Y Date: 10-28-2016WELL FILE REVIEWED ☐ Current Status: T/AWELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☒ Logs in Imaging: T/A PortionPlanned Rehab Work to Well: Drill Out Plugs

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned ___ or Existing ___ Surface	<u>17 1/2 / 13 3/8</u>	<u>850</u>	<u>750</u>	<u>Surface / Visual</u>
Planned ___ or Existing ___ Interm/Prod	<u>12 1/4 / 9 5/8</u>	<u>5420</u>	<u>1400</u>	<u>Surface / Visual</u>
Planned ___ or Existing ___ Interm/Prod	<u>4 5/8 / 7</u>	<u>12560</u>	<u>1625</u>	<u>Surface / Visual</u>
Planned ___ or Existing ___ Prod/Liner				
Planned ___ or Existing ___ Liner				
Planned ___ or Existing ___ OH / PERF	<u>12560 / 13000</u>			

Injection Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	<u>DU</u>			Drilled TD <u>13000</u> PBTD _____
Confining Unit: Litho. Struc. Por.				NEW TD <u>13000</u> NEW PBTD _____
Proposed Inj Interval TOP:			<u>12560</u>	NEW Open Hole <input type="radio"/> or NEW Perfs <input type="radio"/>
Proposed Inj Interval BOTTOM:			<u>13300</u>	Tubing Size <u>4 1/2</u> in. Inter Coated? <input type="radio"/>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth <u>12525</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>12525</u> (100-ft limit)
				Proposed Max. Surface Press. <u>245</u> psi
				Admin. Inj. Press. <u>245</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? ☐ BLM Sec Ord ☐ WIPP ☐ Noticed? ☐ Salt/Salado T: _____ B: _____ NW: Cliff House fm _____FRESH WATER: Aquifer Triassic Max Depth 2500 HYDRO AFFIRM STATEMENT By Qualified Person ☒NMOSE Basin: Captitan CAPITAN REEF thru adj NA No. Wells within 1-Mile Radius? 2 FW Analysis YDisposal Fluid: Formation Source(s) Bonesp. 4, 5, 6, 1 Analysis? Y On Lease ☐ Operator Only ☐ or Commercial ☒Disposal Int: Inject Rate (Avg/Max BWPD): 104/214 Protectable Waters? N/A Source: _____ System Closed or OpenHC Potential: Producing Interval? NA Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map ☐AOR Wells: 1/2-M Radius Map? Y Well List? _____ Total No. Wells Penetrating Interval: 1 Horizontals? 0Penetrating Wells: No. Active Wells 1 Num Repairs? _____ on which well(s)? _____ Diagrams? _____Penetrating Wells: No. P&A Wells 1 Num Repairs? _____ on which well(s)? _____ Diagrams? _____NOTICE: Newspaper Date 8-20-2016 Mineral Owner NMSLU Surface Owner NMSLU N. Date 8-23-2016RULE 26.7(A): Identified Tracts? Y Affected Persons: NMSLU, KAISER-FRANKS, Apache, Newmont N. Date 8-23-2016Order Conditions: Issues: Injection interval 12560-13,000Add Order Cond: C-B-L of 7" casing surface*Projected

McMillan, Michael, EMNRD

From: Sanchez, Daniel J., EMNRD
Sent: Tuesday, October 25, 2016 10:59 AM
To: danny@pwllc.net
Cc: McMillan, Michael, EMNRD; Jones, William V, EMNRD
Subject: RE: Raz Oil and Gas LLC - State WE 'K' #1 (30-025-22004)

Mr. Holcomb,

I just confirmed that the C-103 for the State WE "K" #001 has been entered and I have given the Engineering Bureau the green light to start the C-108 process for the YO State SWD #001.

Daniel

From: danny@pwllc.net [mailto:danny@pwllc.net]
Sent: Tuesday, October 25, 2016 9:59 AM
To: Sanchez, Daniel J., EMNRD <daniel.sanchez@state.nm.us>
Cc: BEN THOMPSON <bnanthomp59@gmail.com>
Subject: Raz Oil and Gas LLC - State WE 'K' #1 (30-025-22004)

Mr. Sanchez,
I'm working with Mr. Ben Thompson at Raz Oil and Gas, LLC on a C-108 amendment to AO SWD-1594 on Raz's YO State SWD #1 (30-025-38162). Recently the administrative review of this C-108 was stopped due to Raz's rule 5.9 compliance issue. Mr. Thompson discussed this matter with you by telephone about a week ago. You advised that Raz would have 45 days to perform a MIT on the subject well to obtain TA status so that the C-108 amendment on the YO State SWD #1 could continue.

Attached is a copy of the C-103 subsequent report indicating that the MIT was performed on 10/21/16 with two OCD witnesses. The test was good and the attached C-103 was submitted to the District 1 Office yesterday (10/24). We hope to soon receive approval from District 1 for this C-103 and an approved TA status for this well.

Assuming I understand the situation correctly, would it now be appropriate for the Engineering Bureau to continue the administrative review of the C-108 amendment to AO SWD-1594? If so, would you please officially advise them? Thank you for your help in this matter.

If you have any questions concerning this matter, please let Ben or me know.
Thank you,
Danny J. Holcomb
Pueblo West, LLC
Cell: 806-471-5628
Email: danny@pwllc.net

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1594
November 6, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Raz Oil and Gas, LLC (the "operator") seeks an administrative order to re-enter and re-complete the YO State SWD Well No. 1 with a location 660 feet from the North line and 840 feet from the West line, Unit letter D of Section 15, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, for the commercial disposal of produced water. This well was formerly named the Osudo 15 State Com. Well No. 1.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received. The applicant has presented satisfactory evidence that all requirements prescribed in rule 19.15.26.8 NMAC have been met and the operator is in compliance with rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Raz Oil and Gas, LLC (OGRID 370507) is hereby authorized to utilize its YO State SWD Well No. 1 (API No. 30-025-38162) with a location 660 feet from the North line and 840 feet from the West line, Unit letter D of Section 15, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through a perforated interval within the Cherry Canyon formation and upper Brushy Canyon formation from 6425 feet to 7100 feet. Injection shall occur through 4½-inch or smaller, internally-coated tubing and a packer set a maximum of 100 feet above the top perforation.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application, modification included in this order and, if necessary, as modified by the District Supervisor.

The operator shall complete the YO State SWD Well No. 1 (API No. 30-025-38162) with new 7-inch casing set to a depth no greater than 7300 feet below ground surface and the casing shall be cemented from total depth to surface. The operator shall run a cement bond log of the

entire 7-inch casing and provide copies to the Division's District I office and the Santa Fe Bureau office prior to commencing injection.

The operator shall conduct a swab or production test of the approved injection interval for hydrocarbon potential and shall obtain a water sample for analysis of hydrocarbon content as well as general water chemistry (including major cations, major anions, and Total Dissolved Solids (TDS)). The Division's District I office shall be noticed prior to this test and given the opportunity to witness the test. The operator shall supply the results of the water sample to Division's District I office and Santa Fe Bureau office prior to commencing injection.

The operator shall complete the listed corrective actions for the following well within the Area of Review:

State WE K Well No. 1 (API 30-025-22004)

Corrective Action: *operator will re-enter and emplace a sufficient volume of cement in the annulus of 7-inch production casing to seal the open annulus from 8350 feet to surface. If the cement is not circulated to surface, the operator shall tie with the 9 $\frac{5}{8}$ -inch casing (set at 5350 feet) a minimum of 500 feet above the 9 $\frac{5}{8}$ -inch casing shoe.*

*The operator shall prepare a cementing plan for the corrective action and submit the plan as a Sundry Notice of Intent to the Division's District I office for approval. Following completion of the remedial cement work, the operator shall run a cement bond log to verify the cement placement. If either Raz Oil and Gas, LLC acquires ownership of this well and does not intend to return the well to beneficial use, or the current operator of the well consents to permanent abandonment, then Raz Oil and Gas, LLC shall submit a Sundry Notice of Intent for approval of the Division's District I office to plug and abandon this well under Division rule 19.15.25.10 NMAC. Prior to commencing injection, the operator shall submit copies to the Division's District I office and the Santa Fe Bureau office of the cement bond log (or equivalent) for the AOR well. Failure to comply with the requirements detailed above shall result *ipso facto* in the loss of disposal authority approved by this Order.*

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of

completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1285 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. At the discretion of the supervisor of the Division's District I office, the operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District I office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

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

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

Administrative Order SWD-1594
Raz Oil and Gas, LLC
November 6, 2015
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DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas and Minerals Division