State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary **David R. Catanach, Division Director** Oil Conservation Division



October 25, 2017

Mr. James Campanella Judah Oil, LLC P. O. Box 568 Artesia, NM 88211-0568

RE: <u>Administrative Order SWD-1533; First Extension of Deadline to Commence Injection</u>

Pronghorn Federal SWD Well No. 1 (API 30-015-20866)

Unit I, Sec 12, T21S, R28E, NMPM, Eddy County, New Mexico

Order Date: March 4, 2015

Injection into the Devonian, Fusselman, and Montoya formations; permitted interval:

13760 feet to 14750 feet

Dear Mr. Campanella:

Reference is made to your request on behalf of Judah, LLC (the "operator") to extend the deadline stipulated in order SWD-1533 based upon the approval date of March 4, 2015, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence. This written request for extension was submitted to the Division on March 1, 2017, then followed by a second correspondence on March 13, 2017.

It is the Division's understanding from your request that there has been only one significant change in the information provided in the application submitted for review and approval of this order. This change included a transfer in lease ownership for one party, BOPCO LP, identified as an "affected person" in the original application. The operator has provided proof of notification to the current lease owner, XTO Energy, Inc.

The operator did not find any new wells within the Area of Review that were completed after the approval date of the order and penetrated the approved injection interval.

SWD-1533: First Extension of Deadline to Commence Injection Judah Oil, LLC October 25, 2017
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The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until March 4, 2018. All requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

Sincerely,

DAVID R. CATANACH

Director

DRC/prg

cc: Oil Conservation Division – Artesia District Office

Bureau of Land Management - Carlsbad Field Office

SWD-1533

Well file 30-015-20866

Goetze, Phillip, EMNRD

From:

Goetze, Phillip, EMNRD

Sent:

Wednesday, March 1, 2017 11:13 AM

To:

ibc@JUDAHOIL.com

Cc:

Jones, William V, EMNRD; McMillan, Michael, EMNRD

Subject:

RE: Pronghorn Fed SWD #1 API 30-015-20866

Mr. Campanella:

The Division is in receipt of your written request for an extension of order SWD-1533 prior the expiration date of March 4, 2017 to commence injection. The extension will be processed in the next few days, but the Division does request that you provide a supplemental correspondence (via e-mail or USPS) that states 1. The applicant has reviewed the current ½-mile AOR and found no new wells that penetrate the injection interval (Devonian) and 2. The noticed affected persons (including surface owner) of the original application have not changed since the order was approved. Addressing these two items will avoid any potential regarding the order's legitimacy at a future date once the extension is issued. I would also request that you review the extension period (six months) and make sure this is sufficient time to provide Judah with ample time to get online. Thank you. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive, Santa Fe, NM 87505
Direct: 505.476.3466

E-mail: phillip.goetze@state.nm.us



From: jbc@JUDAHOIL.com [mailto:jbc@JUDAHOIL.com]

Sent: Wednesday, March 1, 2017 10:47 AM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us>

Cc: William Jones < William.V.Jones@state.nm.us>; Richard Ezeanyim < richard.ezeanyim@state.nm.us>

Subject: Pronghorn Fed SWD #1 API 30-015-20866

Phillip,

Judah Oil, LLC respectfully request a 6 month extension to re-enter the Pronghorn Federal SWD #1, API # 30-015-20866 in Eddy County NM. We have just received an approved APD from the BLM dated February 2, 2017. We plan to start re-entry within the next 60 days.

I am sending a hard copy of this request Via overnight UPS mail. Please confirm approval of my request by responding to this e-mail if possible.

Thank you for your consideration.

James

James B Campanella Member/Manager Judah Oil, LLC 575-748-4730 Office 575-748-4731 Fax 575-748-5488 Cell

P.O. Box 870 1805 W Jacobs Ave Artesia, NM 88211-0870



March 13, 2017

XTO Energy Inc. 810 Houston Street Suite 2000 Fort Worth, TX 76102

RE: Pronghorn Federal SWD #1, API #30-015-20866, UL-I, Section 12, T21S, R28E, Eddy CO, NM Certified Mail No. 7015 1520 0000 3137 0469

To whom it concerns,

Judah Oil, LLC ("Judah") wishes to notify XTO Energy Inc. ("XTO") of our intentions to re-enter and convert the Pronghorn Federal SWD #1, formerly known as "Big Eddy Unit #36", into a Devonian Salt Water Disposal well. This well was D/A by Perry R Bass in 1973 through the Morrow formation and TD'd at 12,756'.

Judah has applied for and received an approved Administration Order SWD-1533, dated March 4, 2015, by the New Mexico Oil Conservation Division ("NMOCD") and federal approval which was granted on February 2, 2017. Due to the delay in Federal approval, Judah has requested a 12 month extension from the NMOCD (request attached).

Bass Oil Producing Co. has worked very closely with Judah in the proposed re-entry of this well. There are many benefit for both companies in lowering the completion and producing cost of any newly completed wells that would be in close proximity of the proposed water disposal well.

Please review the enclosed copy of the submitted C-108 application, which was originally submitted to the NMOCD on 1-19-2015. Should you have any questions, please contact James B Campanella at 575-748-4730.

Thank you and have a blessed day.

Sincerely,

James B Campanella Member/Manager

> Judah Oil, LLC 611 W Mahone, Suite F P.O. Box 568 Artesia, New Mexico 88211-0568

Office; (575)748-4730 Fax; (575)748-4731 Cell; (575)748-5488

E-mail; jbc@judahoil.com



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Track Another Package +

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Tracking Number: 70151520000031370469







Product & Tracking Information

See Available Actions

Postal Product:

Features: Certified Mail™

DATE & TIME

STATUS OF ITEM

LOCATION

March 16, 2017, 4:47 am

Departed USPS Regional

Facility

FORT WORTH TX DISTRIBUTION CENTER

Your item departed our USPS facility in FORT WORTH TX DISTRIBUTION CENTER on March 16, 2017 at 4:47 am. The item is currently in transit to the destination.

March 15, 2017, 10:34 am

Arrived at USPS Regional

FORT WORTH TX

Facility

DISTRIBUTION CENTER

March 14, 2017, 11:16 pm

Departed USPS Regional

Facility

LUBBOCK TX

DISTRIBUTION CENTER

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the maliplece, or on the front if space permits. Article Addressed to: XTO Energy, Inc. 810 Houston St. Suite 2000	A. Signature A. Agent Addressee B. Received by (Printed Name) C. Date of Delivery
	D. is delivery address different from item 1?
Fort Worth, TX 76102	3: Service Type 10 Certified Mail® ☐ Priority Mail Express™ ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery? (Extra Fee) ☐ Yes

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