

24 May-07

W. Jones

31 May-07

SWD

PCLP0715131628

BUREAU OF LAND MANAGEMENT

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS  
AND OF 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 \_\_\_\_\_

## 12. 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

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE  
OF APPLICATION INDICATED ABOVE.

CERTIFICATION: I hereby certify that the information submitted with this application for administrative  
accuracy is complete to the best of my knowledge. I also understand that no action will be taken on the  
information and notifications are submitted to the Division.

Signature must be completed by an individual with managerial and/or supervisory capacity

## Inactive Well List

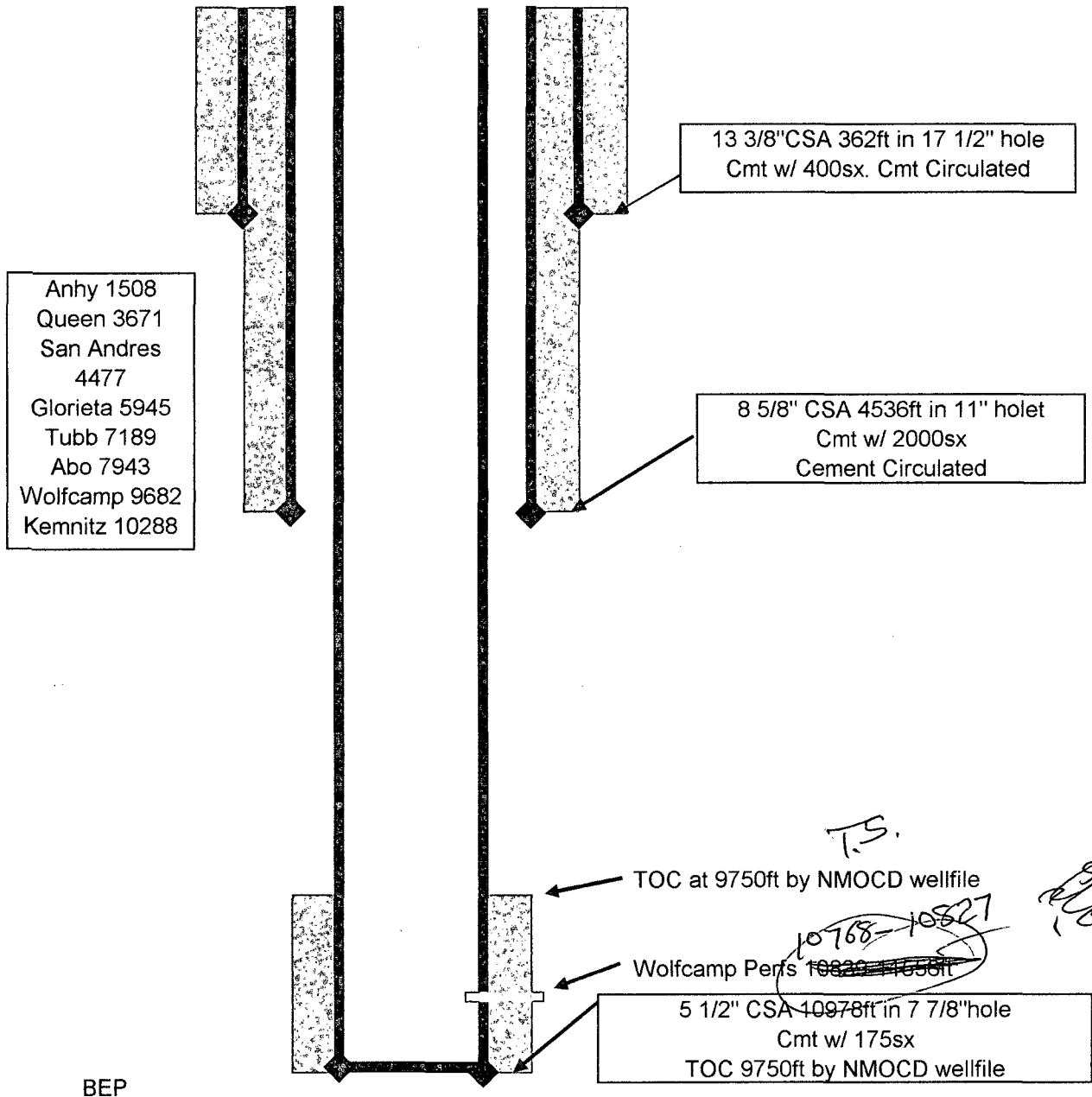
Total Well Count:48 Inactive Well Count:3 Since:3/20/2006

Printed On: Wednesday, June 13 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
1	30-025-02643	JACK MARKHAM #001	O-11-09S-35E	O	17213	PENROC OIL CORP	P	O	07/1980	INT TO PA 1/30/06		
1	30-025-25782	NELLIS FEDERAL #002	O-6 -19S-33E	O	17213	PENROC OIL CORP	F	O	03/1997	BONE SPRING	T	3309
1	30-025-05098	STATE E 7169 #001	L-36-13S-37E	L	17213	PENROC OIL CORP	S	O	01/1994	INT TO PA 1/30/06		

WHERE Ogrid:17213, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

MGM Oil and Gas Company  
Kemnitz Wolfcamp Unit # 22  
API # 30-025-01273  
Unit Letter "G", Section 25, T16S, R33E  
Lea County, New Mexico  
Drilled as Lower Wolfcamp Oil Well  
**Spud 8/31/1957**



BEP

**NEW MEXICO A #2**

**DECLARED GROUND WATER BASINS**

- CAPITAN
- LEA COUNTY
- PENASCO
- CARLSBAD
- JAL
- PORTALES
- FORT SUMNER
- HONDO
- ROSWELL
- SALT BASIN
- ARTESIAN

**TOWNSHIP LINE**

**SECTION LINE**

**SCALE: 1" = 2000'**

**1 MILE RADIUS**

**1/2 MILE RADIUS**

**0 MI 1/4 1/2 1 MI**

**PENROC OIL CORP**

**NEW MEX A #2**

**API: 3002501269**

**SEC: 25**

**TWP: 16S**

**UNIT: O**

**RNG: 33E**

**661 FSL**

**1983 FEL**

**COUNTY: LEA**

**S 75 W - 15.9 MILES FROM Lovington, NM**

**LAT: 32°53.248' N.**

**LONG: 103°36.877' W.**

**NO WARRANTY IS EXPRESSED OR IMPLIED FOR THE ACCURACY AND/OR COMPLETENESS OF THIS MAP**

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**SURFACE OWNERSHIP**

- BLM
- BUREAU OF RECLAM.
- NATIONAL PARK SERV.
- PARK
- STATE
- FOREST SERVICE
- WILDLIFE REFUGE
- PRIVATE
- TRIBAL LANDS

**ACTIVE OIL**

**ACTIVE GAS**

**INACTIVE OIL**

**INACTIVE GAS**

**ACTIVE INJECTION**

**INACTIVE INJECTION**

**ACTIVE WATER**

**INACTIVE WATER**

**ACTIVE SWD**

**INACTIVE SWD**

**PRE-ONGARD WELL**

**KEMNITZ WOLFCAMP UNIT**

**NEW MEX A**

**LOT 1**

**LOT 2**

**LOT 3**

**LOT 4**

**STATE LF 30**

**STATE LF 25**

**STATE LF 36**

**STATE LF 31**

**STATE LF 35**

**STATE LF 32**

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**STATE LF 224**

NO WARRANTY IS EXPRESSED OR  
IMPLIED AS TO THE RELIABILITY  
AND/OR COMPLETENESS OF THIS MAP

**Penroc Oil Corporation**  
**Ogrid # 17213**  
**C108(Application for Authorization to Interest)**  
**New Mex A # 2**  
**API # 30-025-01269**  
**661 FSL X 1983 FEL**  
**Unit Letter "O", Section 25, T16S, R33E**  
**Lea County, New Mexico**

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

To William V. Jones

Please find enclosed form C108 for the above well. A copy of the permit application has been mailed to the NMOCD District 1 office in Hobbs, New Mexico. I have sent copies of the application to all that are contained in Attachment H and have enclosed the post mark that I received when the copies were mailed out. I will forward proof of receipt when I receive. Should you have questions or need further information please do not hesitate to call or email.

Sincerely,



Billy (Bill) E. Prichard  
Agent for Penroc Oil Corporation  
505-390-9100 cellular  
432-955-0680 office phone/fax  
Email; [shabillron01@warpdiveonline.com](mailto:shabillron01@warpdiveonline.com)  
<http://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: **Penroc Oil Corporation** **Ogrid # 17213**  
ADDRESS: **PO Box 2769** **Hobbs, New Mexico 88241**  
CONTACT PARTY: **Billy E. Prichard** PHONE: **505-390-9100**
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? \_\_\_\_\_ Yes   X   No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME:   Billy E. Prichard   TITLE:   Agent    
SIGNATURE:   Billy E. Prichard   DATE:   5/21/07    
E-MAIL ADDRESS:   shabillron01@warpdiveonline.com
- \* 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: \_\_\_\_\_

**Penroc Oil Corporation**  
**Ogrid # 17213**  
**C108(Application for Authorization to Inject)**  
**New Mex A # 2**  
**API # 30-025-01269**  
**661 FSL X 1983 FEL**  
**Unit Letter "O", Section 25, T16S, R33E**  
**Lea County, New Mexico**

- I. The purpose of this application is for the conversion of the above well from a Kemnitz Lower Wolfcamp oil well to lease and private commercial salt water disposal well. This application qualifies for administrative approval.**
- II. Penroc Oil Corporation Ogrid # 17213**  
**PO Box 2769**  
**Hobbs, New Mexico 88241**  
**Contact; Billy E. Prichard 505-390-9100**
- III. Well data – Attachment A**
- IV. This is not an expansion of an existing project.**
- V. Map of Area of Review – Attachment B**
- VI. Wells in AOR – Attachment C**
- VII. The proposed average daily disposal rate is expected to be 1000 BWPD with maximum disposal rate of 1500 BWPD**  
**This will be a closed system**  
**The proposed average disposal pressure is expected to be 0 psig with a maximum disposal pressure of 2150 psig.**  
**The disposal fluid will be produced water from the Kemnitz Lower Wolfcamp formation from Penroc Oil Corps – New Mex A # 1 (API # 30-025-01268) and produced water trucked in from numerous producing formations in southeastern New Mexico. See Attachment D**
- VIII. Geological Data – Attachment E**
- IX. No stimulation is planned unless rates and pressures dictate.**
- X. Logs and completion data submitted by previous operator.**
- XI. Numerous fresh water wells were identified in the 1.0 mile AOR. See Attachment F**
- XII. Affirmative Water Statement – Attachment G**
- XIII. Proof of Notify and Proof of Publication – Attachment H**

**Penroc Oil Corporation Ogrid # 17213 Inactive Well List printed 5/11/2007**  
**Please see Attachment "I"**

Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico

**Well Data**

Data obtained from records maintained by NMOCD

Spudded on 6/12/1958 by Phillips Petroleum as wolfcamp oil well.

13 3/8" 27# and 48# casing was set in 17 1/2" hole at 395ft. Cemented with 500 sacks regular cement. Cement circulated

8 5/8" 24# and 32# casing was set in 11" hole at 4552ft. Cemented with 1110 sacks cement. Cement Circulated

7 7/8" hole was drilled to 11610feet. Well was plugged and abandoned in 1958

Well was re-entered by Phillips Petroleum as a Atoka- Morrow test with work starting on 11/11/1982

5 1/2" 17# and 20# N80 casing was set in 7 7/8" hole at 13484ft with DV tool at 10102 feet. Cemented 1<sup>st</sup> stage with 950 sacks Class "H" cement with additives. Cement circulated. Cemented 2<sup>nd</sup> stage with 700 sacks Lite followed by 100 sacks Class "H" with additives. Temperature survey found Top of cement at 5300 feet.

Perforated Morrow 13282-13290 feet – Unproductive

CIBP at 13207 feet capped with 20 feet of cement

Perforate Atoka 12835-12842 feet – Unproductive

Cement retainer at 12700ft

Squeeze Atoka perforations with 75 sacks Class "H" cement

Perforate Lower Wolfcamp 10839-11556 feet with 163 shots

Well is currently in Kemnitz Lower Wolfcamp pool

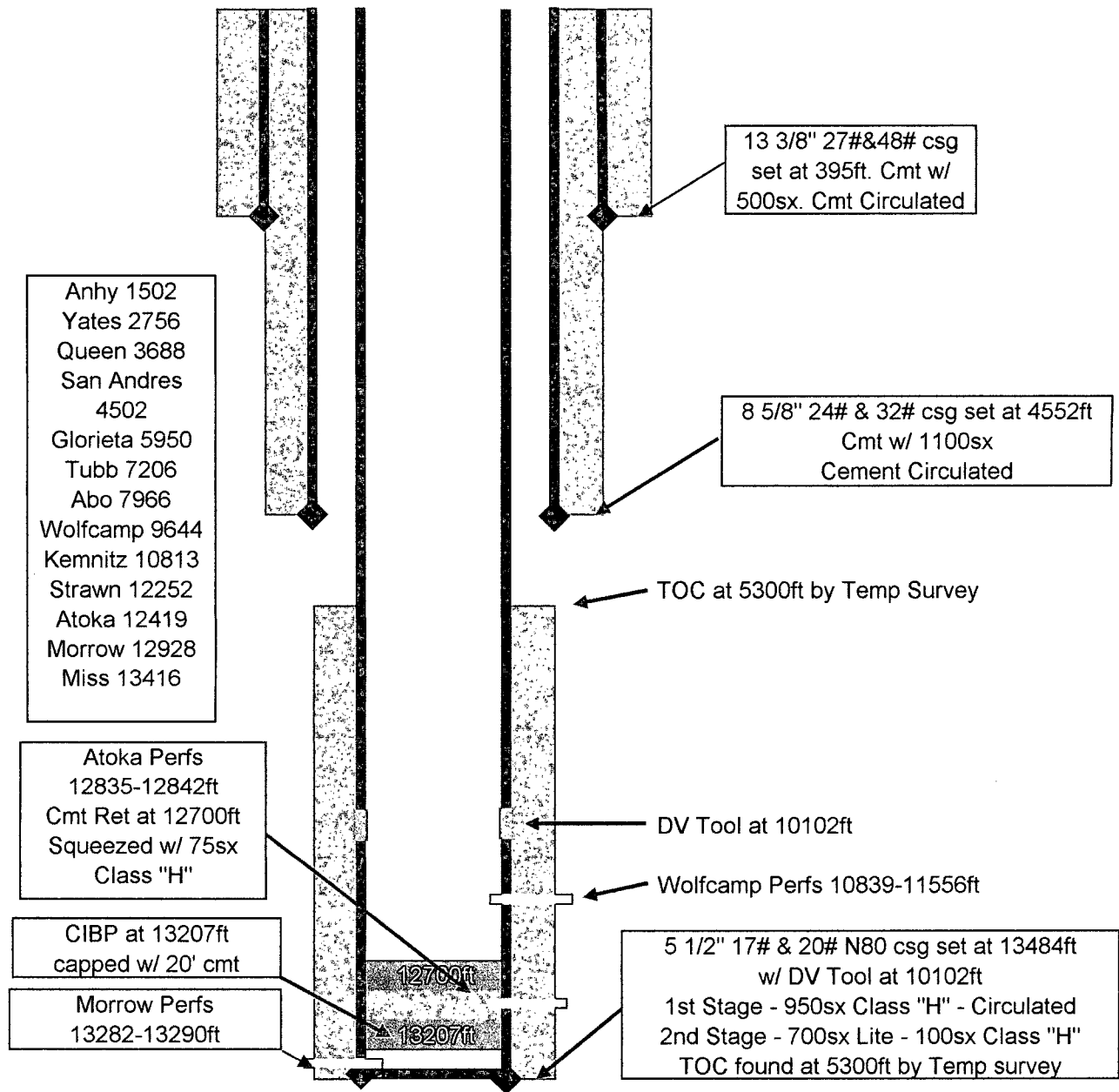
Penroc Oil Corporation  
 Ogrid # 17213  
 C108(Application for Authorization to Inject)  
 New Mex A # 2  
 API # 30-025-01269  
 661 FSL X 1983 FEL  
 Unit Letter "O", Section 25, T16S, R33E  
 Lea County, New Mexico

**Well Data**

**Production Summary of api:3002501269 pool:KEMNITZ;LOWER WOLFCAMP**

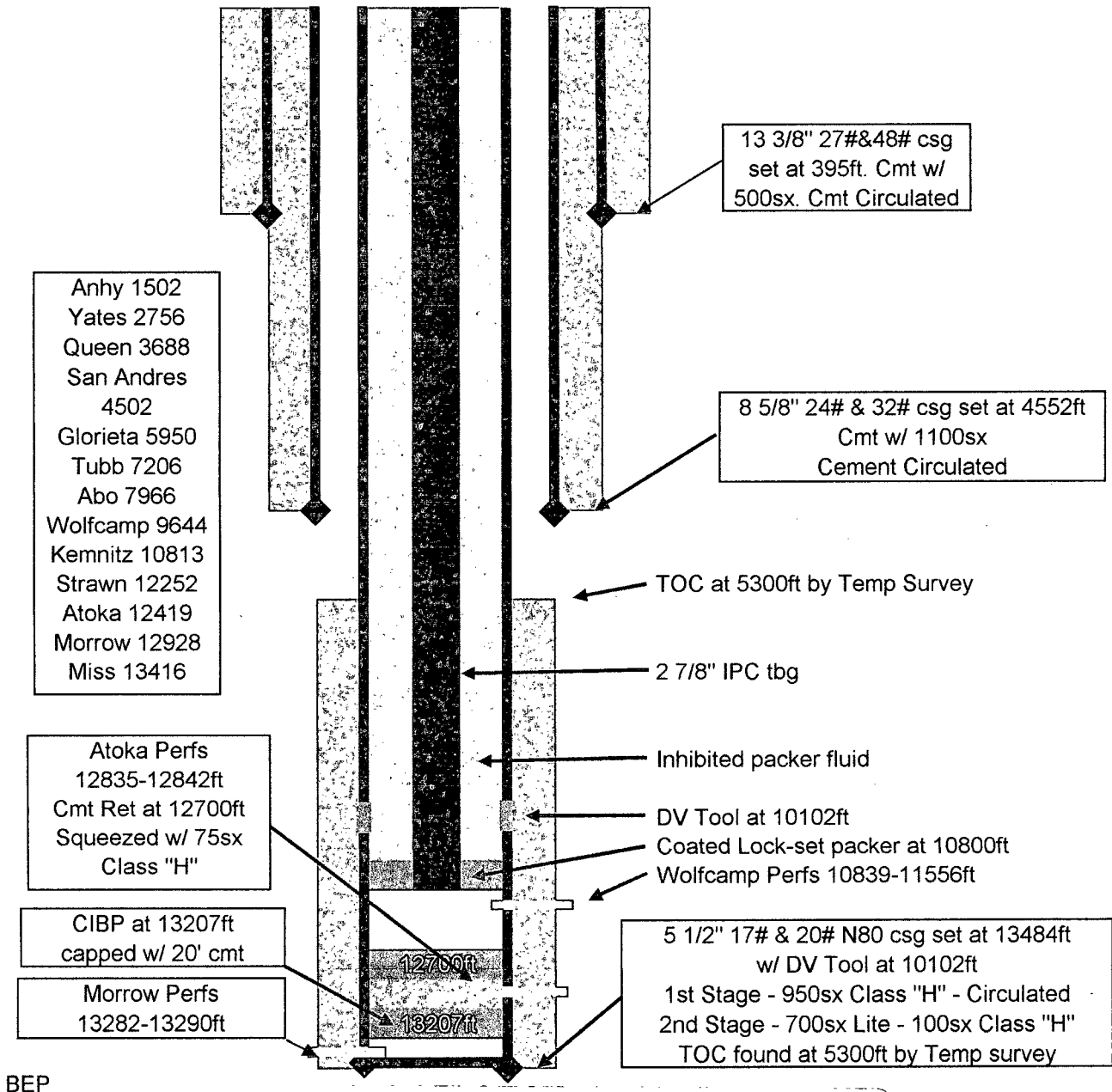
producing year	Oil	Gas	Water	Co2
1992	6563	38211	39371	0
1993	1	0	650	0
1994	0	0	676	0
1995	0	0	730	0
1996	0	0	304	0
1997	86	0	0	0
1998	1900	11450	0	0
1999	773	17491	0	0
2000	730	9127	0	0
2001	823	14862	0	0
2002	536	14717	0	0
2003	492	14248	0	0
2004	390	9778	0	0
2005	397	11569	0	0
2006	256	8453	0	0
2007	39	408	0	0
summary	6423	112103	2360	0

Penroc Oil Corporation  
 Ogrid # 17213  
 C108(Application for Authorization to Inject)  
 New Mex A # 2  
 API # 30-025-01269  
 661 FSL X 1983 FEL  
 Unit Letter "O", Section 25, T16S, R33E  
 Lea County, New Mexico  
 Prior to Conversion to SWD



Attachment A

Penroc Oil Corporation  
 Ogrid # 17213  
 C108(Application for Authorization to Inject)  
 New Mex A # 2  
 API # 30-025-01269  
 661 FSL X 1983 FEL  
 Unit Letter "O", Section 25, T16S, R33E  
 Lea County, New Mexico  
 After Conversion to SWD



Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico

**Offset wells in 0.5 mile area of review**

Penroc Oil Corporation  
New Mex A # 3  
API # 30-025-01270  
1980 FSL X 1980 FEL  
Unit Letter "J", Section 25, T16S, R33E  
Lea County, New Mexico  
Plugged and abandoned Wolfcamp oil well

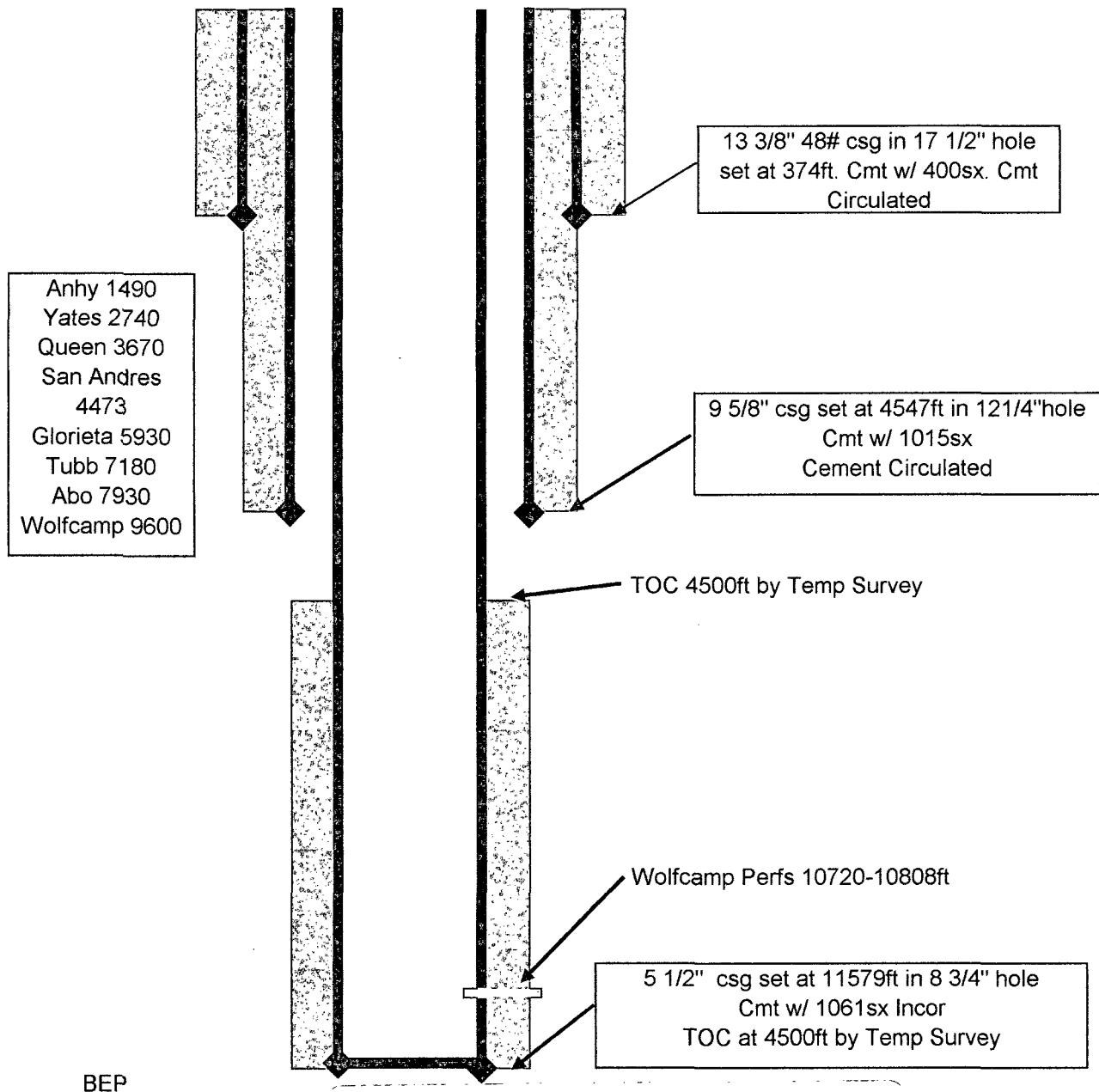
Penroc Oil Corporation  
New Mex A # 1  
API # 30-025-01268  
1983 FSL X 2313 FWL  
Unit Letter "K", Section 25, T16S, R33E  
Lea County, New Mexico  
Producing Kemnitz Lower Wolfcamp oil well

Fina Oil and Chemical Company  
Phillips State # 1  
API # 30-025-01271  
1980 FSL X 660 FEL  
Unit Letter "I", Section 25, T16S, R33E  
Lea County, New Mexico  
Plugged and abandoned Wolfcamp oil well

MGM Oil and Gas Company  
Kemnitz Wolfcamp Unit # 22  
API # 30-025-01273  
1980 FNL X 1980 FEL  
Unit Letter "G", Section 25, T16S, R33E  
Lea County, New Mexico  
Producing Wolfcamp oil well

Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 1  
API # 30-025-01268  
1983 FSL X 2313 FEL  
Unit Letter "K", Section 25, T16S, R33E  
Lea County, New Mexico  
Kemnitz Lower Wolfcamp Oilwell

Spudded 3/24/1958

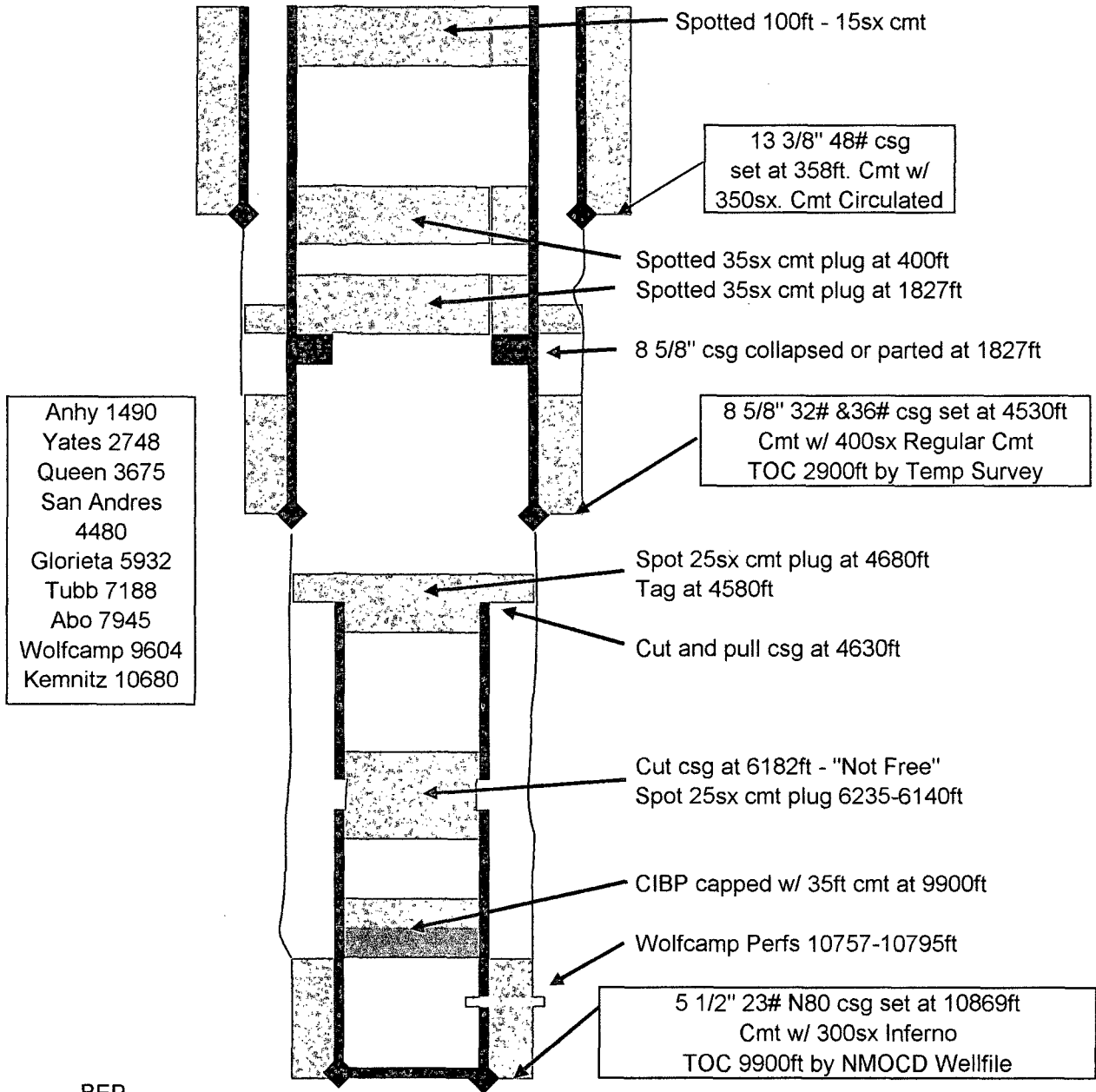


Attachment C

Penroc Oil Corporation  
 Ogrid # 17213  
 C108(Application for Authorization to Inject)  
 New Mex A # 3  
 API # 30-025-01270  
 1980 FEL X 1980 FSL  
 Unit Letter "J", Section 25, T16S, R33E  
 Lea County, New Mexico  
 Kemnitz Lower Wolfcamp Oilwell PA

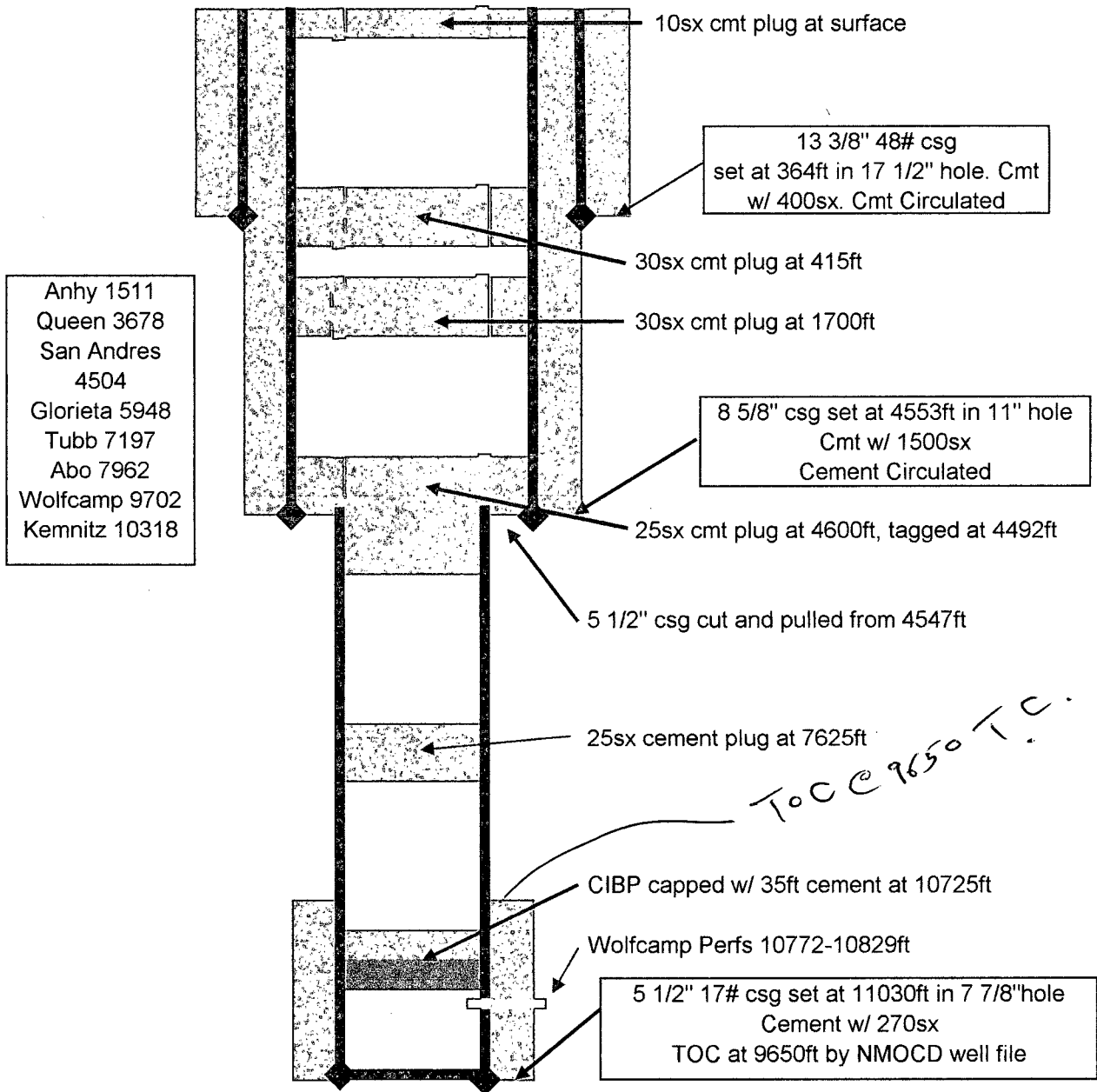
Spud 12/04/1960

PA 8/17/2004



BEP

Fina Oil and Chemical  
 Phillips State # 001  
 API # 30-025-01271  
 1980 FSL X 660 FEL  
 Unit Letter "I", Section 25, T16S, R33E  
 Lea County, New Mexico  
**Spud 6/18/1957 as Wolfcamp oil well**  
**PA 4/5/1994**



# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Well SILVER BULLET 001


API = 3002501265

Formation = WOLF

Field = null

### Current Water Production Information

#### Instructions:

Click 

For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click 664Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes Submit for multiple samples

The ions are in (mg/L) units.

SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
----------	---	---	---	-----	----	-----	--------	----	----

6129

☐

16S 33E 24 1726 86193 null 203 null null null

☐ SELECT/DESELECT ALL

### Attachment D

# NM WAIDS



## Water Samples for Well KEMNITZ WOLFCAMP UNIT 019

API = 3002501272

Formation = WOLF

Field = KEMNITZ

### Current Water Production Information

#### Instructions:

Click

For general information about this sample.

Click

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).







Click

To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.

Click 664

Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes Submit for multiple samples

The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
<input type="checkbox"/>	<u>5107</u>	16S	33E	25	723	16060	null	338	null null	null
	  									
<input type="checkbox"/>	<u>4984</u>	16S	33E	25	794	16170	null	584	null null	null
	  									

☐ SELECT/DESELECT ALL

Submit



Attachment D

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Well CORBIN STATE 001


API = 3002530163

Formation = DEL

Field = CORBIN WEST

### Current Water Production Information

#### Instructions:

Click 
















For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click 664

Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes Submit for multiple samples  
The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
<input type="checkbox"/>	<u>3329</u>   	18S	33E	16	5619	56415	0	1266	237	35926 2245
<input type="checkbox"/>	<u>3365</u>   	18S	33E	16	3470	43785	0	1220	265	26875 2113
<input type="checkbox"/>	<u>3306</u>   	18S	33E	16	3514	43460	0	1156	273	26601 2134
<input type="checkbox"/>	<u>3189</u>   	18S	33E	16	4130	87630	0	866	310	55647 2048
<input type="checkbox"/>	<u>3305</u>   	18S	33E	16	795	159594	0	224	1068	83110 11653

☐ SELECT/DESELECT ALL**Attachment D**

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Well YOUNG DEEP UNIT 009

API = 3002528400

Formation = B SPG

Field = YOUNG NORTH

### Current Water Production Information

#### Instructions:

Click 

For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click 664

Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes Submit for multiple samples

The ions are in (mg/L) units.

SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
----------	---	---	---	-----	----	-----	--------	----	----

<input type="checkbox"/>   	6017								
--	------	--	--	--	--	--	--	--	--

18S 32E 03 3012 98373 0 336 980 55438 5787
--

☐ SELECT/DESELECT ALL**Attachment D**

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Well PEARSALL QUEEN SAND UNIT 001

**API = 3002500839****Formation = ARTES****Field = PEARSALL**

### Current Water Production Information

**Instructions:**Click 

For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click **664**

Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes to Submit for multiple samples

The ions are in (mg/L) units.

SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca
----------	---	---	---	-----	----	-----	------	---	----	----

<input type="checkbox"/> 2421										
-------------------------------	--	--	--	--	--	--	--	--	--	--



18S	32E	04	500	189000	null	100	null	null	null
-----	-----	----	-----	--------	------	-----	------	------	------

☐ SELECT/DESELECT ALL**Attachment D**

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Well MC FEDERAL 013

API = 3002520647

Formation = ABO

Field = MALJAMAR

### Current Water Production Information

#### Instructions:

Click 

For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click **664**Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes Submit for multiple samples


The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
<input type="checkbox"/>	<u>3820</u>	17S	32E	22	4950	26700	null	915	null	null
<input type="checkbox"/>	<u>6761</u>	17S	32E	22	5050	25100	null	927	null	null

☐ SELECT/DESELECT ALL

### Attachment D

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)**Water Samples for Well ELVIS 001****API = 3002533584****Formation = DEV****Field = MALJAMAR WEST****Current Water Production Information****Instructions:**Click 

For general information about this sample.







Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click 664

Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes Submit for multiple samples

The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
<input type="checkbox"/>	<u>3564</u>   	17S	32E	20	1651	31735	0	453	790	17065 2537
<input type="checkbox"/>	<u>3263</u>   	17S	32E	20	1740	34405	0	425	220	21258 1322

☐ SELECT/DESELECT ALL**Attachment D**

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Well ANDERSON RANCH UNIT 001

**API = 3002500383****Formation = DEV****Field = ANDERSON RANCH****Instructions:**

Click

For general information about this sample.

Click

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click

To select **this water sample** for water mixing. It will lead to the main page, and add the sample 1 table.Click **664**Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes Submit for multiple samples

The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
<input type="checkbox"/>	<u>5537</u>	16S	32E	11	1863	27630	null	293	null null	null
<input type="checkbox"/>	<u>5503</u>	16S	32E	11	1858	26310	null	705	null null	null

☐ SELECT/DESELECT ALL**Attachment D**

# NM WAIDS

DATA

MAPS

HOME

SCALE

**Water Samples for Well LEA CL STATE NCT-A 001**

**API = 3002500369**

**Formation = CIS**

**Field = ANDERSON RANCH NORTH**

**Current Water Production Information**

## Instructions:

Click 

For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).
















Click 

To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.

Click **664**

Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes Submit for multiple samples

The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
<input type="checkbox"/>	<u>3157</u>   	16S	32E	02	1980	2212	null	2424	null null	267
<input type="checkbox"/>	<u>3159</u>   	16S	32E	02	1500	31900	null	795	null null	1650
<input type="checkbox"/>	<u>2442</u>   	16S	32E	02	1940	27660	null	622	null null	null
<input type="checkbox"/>	<u>2285</u>   	16S	32E	02	1500	31900	null	795	null null	null
<input type="checkbox"/>	<u>7439</u>   	16S	32E	02	1940	27658	null	622	null null	1692

☐ SELECT/DESELECT ALL

Submit

**Attachment D**

**Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico**

**VIII**

The proposed disposal interval is the Kemnitz Lower Wolfcamp formation. The Kemnitz Lower Wolfcamp was discovered in the 1950s, it is a light to dark gray reefoid limestone of Permian Age. The New Mex A #2 is the lowest well in the structure of the wells in the immediate area. Immediately above the Kemnitz Lower Wolfcamp is the Wolfcamp and above the Wolfcamp is the Abo formation. Immediately below the Kemnitz Lower Wolfcamp is the Strawn formation.

There is no known fresh water strata underlying the Kemnitz Lower Wolfcamp formation.

Numerous fresh water wells were identified within the 1 mile Area of Review. Fresh water data, analysis and map of the wells is included. Fresh water is in the alluvial fill from the surface to the top of the Red Bed. Surface casing on oil and gas wells in the area have average setting depth of 371 feet.

**Attachment E**

API	OPERATOR	LEASE	WELL	TYPE	STATUS	TWN	RNG	SEC	UNT	
3002501269	PENROC OIL (NEW MEX			2 OIL	ACT	16S	33E		25 O	
RADIUS	WPM ID	SEC ID	USEAGE	NM ID	DATE	DEPTH	LEVEL	LATITUDE	LONGITUDE	COUNTY
2948	WWL12673	160S330E250	PRO	L 03163	1/1	0	0	32.89472	103.6103	LEA
2948	WWL12672	160S330E250	PRO	L 03163	1/1	0	0	32.89472	103.6103	LEA
3377	WWL12671	160S340E300	SAN	L 05298	12/6/1963	145	94	32.88917	103.6039	LEA
3710	WWL12679	160S330E250	PRO	L 03909	7/11/1958	180	120	32.89472	103.6231	LEA
3710	WWL12678	160S330E250	PRO	L 03909	7/14/1958	180	120	32.89472	103.6231	LEA
4157	WWL12676	160S330E250	PRO	L 03574	6/28/1957	160	115	32.89833	103.6189	LEA
4157	WWL12677	160S330E250	PRO	L 03574	6/28/1957	160	115	32.89833	103.6189	LEA
4162	WWL12680	160S330E250	STK	L 10289	1/1/1952	200	0	32.89833	103.6103	LEA
4162	WWL12675	160S330E250	PRO	L 03397	1/10/1957	160	124	32.89833	103.6103	LEA
4162	WWL12681	160S330E250	STK	L 10290	1/1/1952	200	0	32.89833	103.6103	LEA
4162	WWL12674	160S330E250	PRO	L 03397	1/10/1957	160	124	32.89833	103.6103	LEA
5258	WWL12670	160S340E300	PRO	L 03477	4/5/1957	150	115	32.89389	103.5992	LEA
5258	WWL12669	160S340E300	PRO	L 03477	4/5/1957	150	115	32.89389	103.5992	LEA

Attachment F

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## Water Samples for Sect 25 Township 16 South Range 33 East Formation OGALLALA

### Instructions:

The number represents the number of water samples of certain well. Click the number if you want to download the data.

6 records are available.

	# of samples	S	T	R	Formation	Date	Chlorides (mg/L)	Location (qtr/qtr)
<input type="checkbox"/> <u>1</u> sample	25	16S	33E	OGALLALA	11/16/1979	36	16S.33E.25.22213	
<input type="checkbox"/> <u>1</u> sample	25	16S	33E	OGALLALA	9/26/1995	36	16S.33E.25.22213	
<input type="checkbox"/> <u>1</u> sample	25	16S	33E	OGALLALA	7/12/1990	55	16S.33E.25.22213	
<input type="checkbox"/> <u>1</u> sample	25	16S	33E	OGALLALA	10/11/1984	63	16S.33E.25.22213	

☐ SELECT/DESELECT ALL



Attachment F

# NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

## General Information About: Sample 3803

Section/ Township/Range	25 / 16 S / 33 E	Lat/Long	32.8923 / -103.6163
Elevation	4140	Depth	0
Date Collected	9/26/1995	Chlorides	36
Collector / Point of Collection	SEO / DP	Use	Stock
Formation	OGALLALA	TDS	0



Attachment F

**Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico**

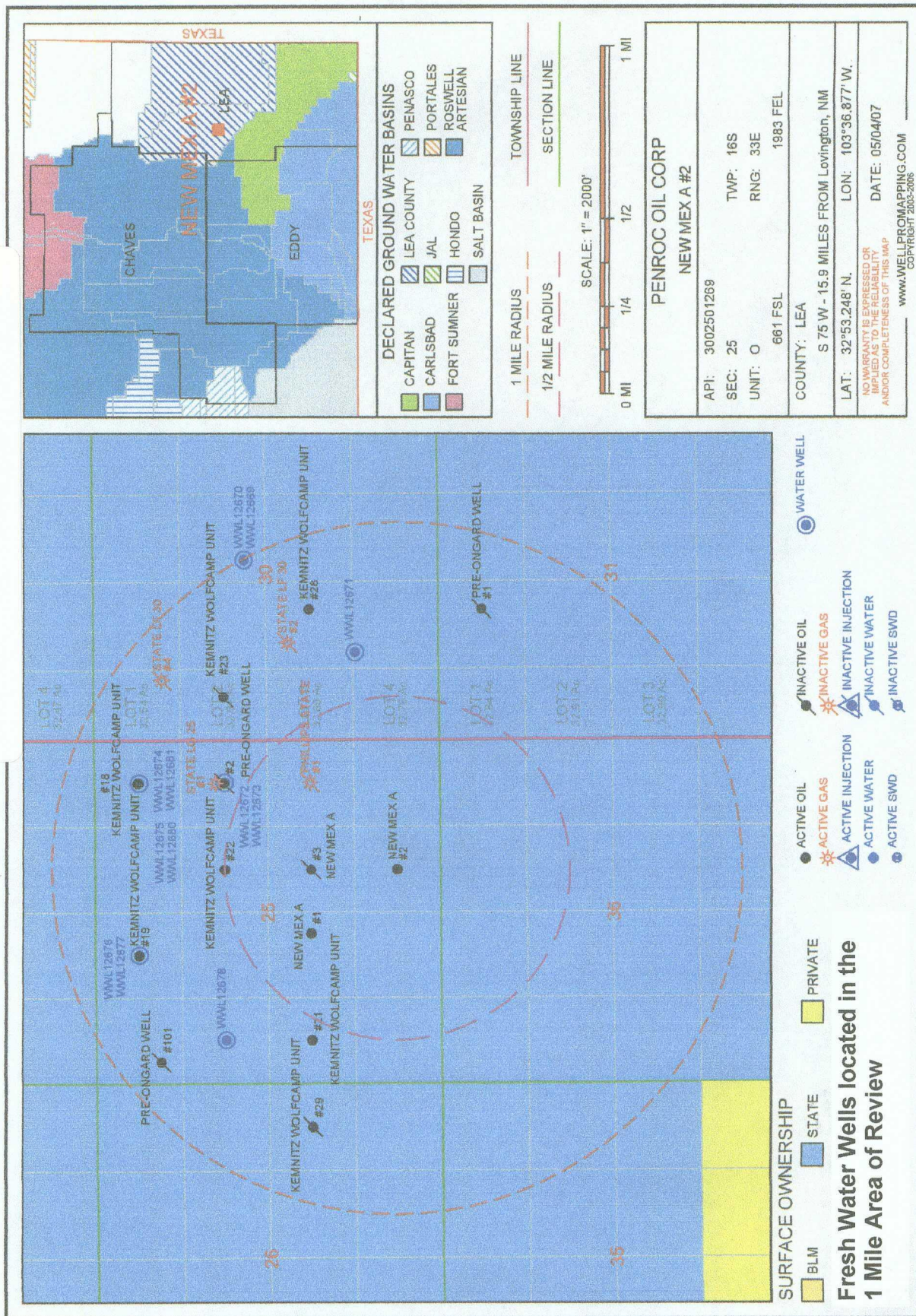
**XII**

**Affirmative Water Statement**

As required by Item XII of form C-108, Penroc Oil Corporation, has examined available geologic and engineering data and found no evidence of open faults or other hydrologic connection between the disposal zone and any other underground source of drinking water.

**Attachment G**

# Attachment F



Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico

**Proof of Notify**  
**Surface Owner**

State of New Mexico  
State Land Office  
PO Box 1148  
Santa Fe, NM  
87504-1148

**Mineral Owner**

State of New Mexico  
State Land Office  
PO Box 1148  
Santa Fe, NM  
87504-1148

**Surface Lessee**

CHARLES R MARTIN INCORPORATED  
PO BOX 706  
ARTESIA, NM U.S.A.  
88210

**Offset Operator**

MGM Oil and Gas Company  
PO Box 891  
Midland, TX  
79702-0891

**Offset Lease Holders**

*N2, Section 25, T16S, R33E*  
MAGNUM HUNTER PRODUCTION, INC.  
c/o Cimarex Energy Colorado  
1700 Lincoln Street Suite 1100  
Denver, CO  
80203

Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico

**Offset Lease Holders**

***N2, Section 36, T16S, R33E***  
Yates Petroleum Corporation  
105 SOUTH FOURTH STREET  
ARTESIA, NM U.S.A.  
88210

***Section 31, T16S, R34E***  
Yates Petroleum Corporation  
105 SOUTH FOURTH STREET  
ARTESIA, NM U.S.A.  
88210

***Section 30, T16S, R34E***  
MAGNUM HUNTER PRODUCTION, INC.  
c/o Cimarex Energy Colorado  
1700 Lincoln Street Suite 1100  
Denver ,CO  
80203

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a  
newspaper published at  
Hobbs, New Mexico, do solemnly  
swear that the clipping attached  
hereto was published once a  
week in the regular and entire  
issue of said paper, and not a  
supplement thereof for a period.

of 1

       weeks.

Beginning with the issue dated

May 16 2007

and ending with the issue dated

May 16 2007

*Kathi Bearden*

Publisher

Sworn and subscribed to before

me this 16th day of

May 2007  
*[Signature]*

Notary Public.

My Commission expires  
February 07, 2009  
(Seal)



OFFICIAL SEAL  
DORA MONTZ  
NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: \_\_\_\_\_

This newspaper is duly qualified  
to publish legal notices or adver-  
tisements within the meaning of  
Section 3, Chapter 167, Laws of  
1937, and payment of fees for  
said publication has been made.

LEGAL NOTICE  
May 16, 2007

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88241 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the New Mex "A" # 2, API # 30-025-01269, 661 FSL X 1983 FEL Unit letter "O", Section 25, T16S, R33E, Lea County, New Mexico from a Kernitz Lower Wolfcamp oil well to lease and commercial salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 10839ft to 11556ft. Disposal fluid would be water produced on the lease from the Wolfcamp formation and produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 2150 psi.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Billy Prichard 505-390-9100.  
#23265

Attachment H

02107812000      02593091  
PUEBLO WEST LLC  
1611 SE 5TH  
SEMINOLE, TX 79360

### Legal Notice

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88241 has filed form C-108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the New Mex "A" # 2, API # 30-025-01269, 661 FSL X 1983 FEL, Unit letter "O", Section 25, T16S, R33E, Lea County, New Mexico from a Kemnitz Lower Wolfcamp oil well to lease and commercial salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 10839ft to 11556ft. Disposal fluid would be water produced on the lease from the Wolfcamp formation and produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 2150 psi.

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#23253

**LEGAL NOTICE**  
**May 16, 2007**

gh Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico  
88241 has filed form C-108(Application for Authorization to  
Inject) with the New Mexico Oil Conservation Division seek-  
ing administrative approval for the conversion of the New  
Mex "A" # 2, API # 30-025-01269, 661 FSL X 1983 FEL,  
Unit letter "O", Section 25, T16S, R33E, Lea County, New  
Mexico from a Kemnitz Lower Wolfcamp oil well to lease  
and commercial salt water disposal well. The disposal in-  
terval would be the Wolfcamp formation through perfora-  
tions 10839ft to 11556ft. Disposal fluid would be water pro-  
duced on the lease from the Wolfcamp formation and pro-  
duced water trucked in from numerous producing forma-  
tions in southeastern New Mexico. Anticipated disposal rate  
of 1000 BWPD with a maximum disposal rate of 1500  
BWPD. Anticipated disposal pressure 0 psi with a maximum  
disposal pressure of 2150 psi.

All interested parties opposing the aforementioned must file  
objections with the New Mexico Oil Conservation Division,  
1220 South St. Francis Drive, Santa Fe, New Mexico 87505  
with in 15 days. Additional information can be obtained by  
contacting Billy Prichard 505-390-9100.

#23265

## Inactive Well List

**Total Well Count:48 Inactive Well Count:4 Since:2/15/2006**

**Printed On: Friday, May 11 2007**

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	C
1	30-025-25701	FEDERAL 3 #002	J-3 -19S-32E	J	17213	PENROC OIL CORP	F	O	05/2005	BONE SPRING		
1	30-025-02643	JACK MARKHAM #001	O-11-09S-35E	O	17213	PENROC OIL CORP	P	O	07/1980	INT TO PA 1/30/06		
1	30-025-25782	NELLIS FEDERAL #002	O-6 -19S-33E	O	17213	PENROC OIL CORP	F	O	03/1997	BONE SPRING	T	3
1	30-025-05098	STATE E 7169 #001	L-36-13S-37E	L	17213	PENROC OIL CORP	S	O	01/1994	INT TO PA 1/30/06		

WHERE Ogrid:17213, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

**API # 30-025-25701 Federal 3 #002 was returned to production April, 2007**

**API # 30-025-02643 Jack Markham #001 plugging operations are currently underway**

**API # 30-025-05098 State E 7169 #001 is under contract with BCM and Associates to plug after the completion of the plugging of the Jack Markham # 001**

**Attachment I**

**Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico**

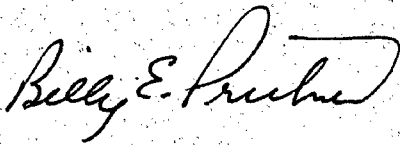
Charles R. Martin Incorporated  
PO Box 706  
Artesia, New Mexico  
88210

**To Whom It May Concern:**

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88241 has filed form C-108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the New Mex "A" # 2, API # 30-025-01269, 661 FSL X 1983 FEL, Unit letter "O", Section 25, T16S, R33E, Lea County, New Mexico from a Kemnitz Lower Wolfcamp oil well to lease and commercial salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 10839ft to 11556ft. Disposal fluid would be water produced on the lease from the Wolfcamp formation and produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 2150 psi. A copy of the application is enclosed.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 87505 with in 15 days. Additional information can be obtained by contacting Billy Prichard 505-390-9100.

Sincerely,



Billy (Bill) E. Prichard  
Agent for Penroc Oil Corporation  
505-390-9100 cellular  
432-955-0680 office phone/fax  
Email: [shabillron01@warpdriveonline.com](mailto:shabillron01@warpdriveonline.com)  
<http://www.pwllc.net>

7006 2150 0005 7877 8061

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Certified Fee	\$ 2.65	01
Return Receipt Fee (Endorsement Required)	\$ 2.15	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.79	05/22/2007

Sent: Charles R. Martin Incorporated  
Street or PO: PO Box 706  
City: Artesia, NM  
88210

PS Form 3800, August 2005 See Reverse for Instructions

**Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico**

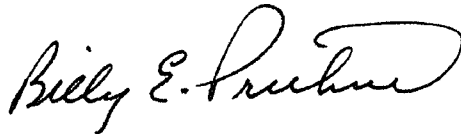
State of New Mexico  
State Land Office  
PO Box 1148  
Santa Fe, NM  
87504-1148

**To Whom It May Concern:**

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Sincerely,



Billy (Bill) E. Prichard  
Agent for Penroc Oil Corporation  
505-390-9100 cellular  
432-955-0680 office phone/fax  
Email; shabillron01@warpdiveonline.com

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<b>OFFICIAL USE</b>		
Postage	\$ 1.99	0488
Certified Fee	\$2.65	01
Return Receipt Fee (Endorsement Required)	\$2.15	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.79	05/22/2007
Sent To		
Street, At or PO Box		
City, State		
PS Form 3800, June 2006		
New Mexico State Land Office PO Box 1148 Santa Fe, NM 87504-1148		
Use Reverse for Instructions		

7006 2150 0005 7877 8104

Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico  
88210

To Whom It May Concern:

Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88241 has filed form C-108(Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the conversion of the New Mex "A" # 2, API # 30-025-01269, 661 FSL X 1983 FEL, Unit letter "O", Section 25, T16S, R33E, Lea County, New Mexico from a Kemnitz Lower Wolfcamp oil well to lease and commercial salt water disposal well. The disposal interval would be the Wolfcamp formation through perforations 10839ft to 11556ft. Disposal fluid would be water produced on the lease from the Wolfcamp formation and produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal rate of 1000 BWPD with a maximum disposal rate of 1500 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 2150 psi. A copy of the application is enclosed.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 with in 15 days. Additional information can be obtained by contacting Billy Prichard 505-390-9100.

Sincerely,

*Billy E. Prichard*

Billy (Bill) E. Prichard  
Agent for Penroc Oil Corporation  
505-390-9100 cellular  
432-955-0680 office phone/fax  
Email; [shabillron01@warpdiveonline.com](mailto:shabillron01@warpdiveonline.com)

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Yates Petroleum Corp  
105 S 4th St.  
Artesia, NM 88210

**Penroc Oil Corporation  
Ogrid # 17213  
C108(Application for Authorization to Inject)  
New Mex A # 2  
API # 30-025-01269  
661 FSL X 1983 FEL  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico**

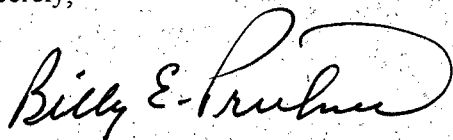
MGM Oil and Gas Company  
PO Box 891  
Midland, TX  
79702-0891

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Billy (Bill) E. Prichard  
Agent for Penroc Oil Corporation  
505-390-9100 cellular  
432-955-0680 office phone/fax  
Email; [shabillron01@warpdriveonline.com](mailto:shabillron01@warpdriveonline.com)

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Midland, TX			
79702-0891			
PS Form 3800, August 2004			
See Reverse for Instructions			

**Penroc Oil Corporation**  
**Ogrid # 17213**  
**C108(Application for Authorization to Inject)**  
**New Mex A # 2**  
**API # 30-025-01269**  
**661 FSL X 1983 FEL**  
**Unit Letter "O", Section 25, T16S, R33E**  
**Lea County, New Mexico**

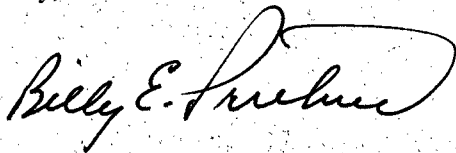
Magnum Hunter Production, Inc  
PO Box 140907  
Irving, Texas  
75014 0907

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Billy (Bill) E. Prichard  
Agent for Penroc Oil Corporation  
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432-955-0680 office phone/fax  
Email: [shabillron01@warpdiveonline.com](mailto:shabillron01@warpdiveonline.com)

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Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.79	
05/22/2007		

Sent To	
Street or PO	Magnum Hunter Production Inc
City, St	c/o Cimarex Energy Company
	1700 Lincoln St. Suite 1100
	Denver, CO 80203

**JOE C. NEAL & ASSOCIATES**  
PETROLEUM AND ENVIRONMENTAL ENGINEERING CONSULTANTS  
300 NORTH MARIENFELD, SUITE 200  
MIDLAND, TX 79701  
432-683-4371 FAX: 432-683-9279  
E-Mail: [info@joecneal.com](mailto:info@joecneal.com)

July 12, 2007

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

Re: Application for Authorization to Inject Salt Water  
Into New Mex 'A' #2 Well (API #30-025-01269)  
Unit Letter "O", Section 25, T16S, R33E  
Lea County, New Mexico

Gentlemen:

I have reviewed all of the available engineering and related data on the above listed well. I have made a pressure behavior calculation on the New Mex 'A' #2 Well in relation to the New Mex 'A' #1 Well. The New Mex 'A' #1 Well is located up dip approximately one thousand three hundred twenty feet (1,320') to the northwest of the New Mex 'A' #2 proposed SWD Well. In making these calculations, if reservoir data was not available, it was estimated based on my engineering experience. Some of the information relied on came from the New Mexico Bureau of Mines and Mineral Resources.

My conclusion is that injection of one thousand five hundred (1,500) barrels maximum of salt water per day will not likely cause waste of oil or gas in the nearby Wolfcamp producing wells.

Thank you for allowing Joe C. Neal & Associates to make this determination.

Yours Very Truly,



Joe C. Neal & Associates  
Licensed Professional Engineer  
Registration Number: 23238  
Registered Professional Engineering Firm  
Registration Number: F-001308

JCN/pjb  
Ref: 27087

RECEIVED  
2007 JUL 19 PM 12:21

## Inactive Well List

Total Well Count:47 Inactive Well Count:2 Since:4/26/2006

Printed On: Friday, July 20 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
1	30-025-25782	NELLIS FEDERAL #002	O-6 -19S-33E	O	17213	PENROC OIL CORP	F	O	03/1997	BONE SPRING	T	3346
1	30-025-05098	STATE E 7169 #001	L-36-13S-37E	L	17213	PENROC OIL CORP	S	O	01/1994	INT TO PA 1/30/06		

WHERE Ogrid:17213, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

OK  
7/20/07

**Jones, William V., EMNRD**

---

**From:** Billy Prichard [shabillron01@warpdriveonline.com]  
**Sent:** Wednesday, June 13, 2007 1:14 PM  
**To:** Jones, William V., EMNRD; Macquesten, Gail, EMNRD  
**Subject:** Re: FW: SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

Will, the Jack Markhum well was finished plugging yesterday and they should be moving on the State well to plug today or tomorrow..

Thanks

BEP

Jones, William V., EMNRD wrote:

>  
>  
>  
> William V. Jones PE  
> New Mexico Oil Conservation Division  
> 1220 South St. Francis  
> Santa Fe, NM 87505  
> 505-476-3448  
>  
>  
> -----  
> --

> \*From:\* Macquesten, Gail, EMNRD  
> \*Sent:\* Wednesday, June 13, 2007 10:09 AM  
> \*To:\* Jones, William V., EMNRD  
> \*Subject:\* RE: SWD Application on behalf of Penroc Oil Corporation:  
> New Mex "A" Well No. 2 API No. 30-025-01269  
>

> Will- I checked the inactive well list, too, and you are correct.  
> Penroc has 3 wells on the Rule 40 inactive well list. Because it  
> operates between 4 and 100 wells, it may have no more than 2 wells on  
> the list. If Penroc believes that one or more of the wells on the  
> inactive list is there in error, it should check with the district  
> office. Gail  
>  
>  
>  
> -----  
> --

> \*From:\* Jones, William V., EMNRD  
> \*Sent:\* Wednesday, June 13, 2007 9:53 AM  
> \*To:\* shabillron01@warpdriveonline.com  
> \*Cc:\* Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Kautz, Paul,  
> EMNRD  
> \*Subject:\* SWD Application on behalf of Penroc Oil Corporation: New  
> Mex "A" Well No. 2 API No. 30-025-01269  
>  
>  
>

> Hello B E P  
>  
>  
>

> This application looks good. After reviewing:  
>  
>  
>

> 1) I know Penroc has plans to put wells back on line, but our  
> system still shows 3 wells out of 48 producers as "inactive" or out of  
> compliance so still a problem. I will check with Gail to see if this

WAITING  
on  
Engineering  
Report  
7/5/07  
Received ✓

> is OK.  
>  
> 2) After reviewing the elogs it seems strange the San Andres was  
> never tried in this well - maybe the mudlog ruled it out?  
>  
> 3) This may be nitpicking, but would you please let me know the top  
> of the Pennsylvanian in this well?  
>  
> 4) Since you are abandoning a depleted producer, please have an  
> engineer talk a little about efforts to keep this going, and whether  
> injection into this interval will cause waste of offsetting Wolfcamp  
> oil reserves and why it will not? I already saw this well is low on  
> structure.  
>  
>  
>  
> Let me know,  
>  
>  
>  
> Thank You,  
>  
>  
>  
> William V. Jones PE  
>  
> New Mexico Oil Conservation Division  
>  
> 1220 South St. Francis  
>  
> Santa Fe, NM 87505  
>  
> 505-476-3448  
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**Jones, William V., EMNRD**

---

**From:** mymerch@penrocoil.com  
**Sent:** Thursday, June 14, 2007 8:19 AM  
**To:** Jones, William V., EMNRD  
**Cc:** Billy Prichard  
**Subject:** RE: SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

*Thanks for a quick response. As soon as my consulting geologist show up in the Midland, I will get you the Penn top.*

*As for the effect of SWD in the Wolfcamp, it will help the offsetting well which averages 3 bopd and is semi-depleted. In the years past Tenneco had a SWD in the Wolfcamp to the northeast..Unit P, 19-16-34 which was being disposed into on vacuum from 1973..and well was P & AD in 2002.*

*If any thing the injection into the Wolfcamp should help pressure maintenance on the currently producing stripper well.*

M.Y. (MERCH) MERCHANT  
PRESIDENT  
PENROC OIL CORPORATION/PENROC OIL & GAS EQUIPMENT,FZC/JOE'S WELL SERVICE,  
HAMPTON INN & SUITES, DEL RIO, TEXAS, RINGING BELLS, DBA TACO BELL/GRAND  
RESOURCES,FORT STOCKTON,TEXAS  
(505)492-1236 PH. (505)492-1237 FAX HOBBS  
PLEASE CONTACT FOR U.A.E. PHONE/FAX

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

Subject: RE: SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269  
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>  
Date: Thu, June 14, 2007 6:42 am  
To: <mymerch@penrocoil.com>  
Cc: "Billy Prichard" <shabillron01@warpdiveonline.com>, "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>

Thank You both:

Looks like wells are being fixed right and left: As soon as Hobbs District enters all the data, and the printout shows 2 or less inactive wells, we are good to go for Rule 40.

The last thing is (1) the top of the Pennsylvanian and (2) the evaluation/statement from an engineer about the effects of injection into the Wolfcamp on Wolfcamp oil and gas.

William V. Jones PE  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

---

**From:** mymerch@penrocoil.com [mailto:mymerch@penrocoil.com]

6/14/2007

**Sent:** Thursday, June 14, 2007 7:04 AM  
**To:** Jones, William V., EMNRD  
**Cc:** Billy Prichard  
**Subject:** RE: SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

*Mr. Jones: I have not talked to BEP this a.m. However here are some of the answers to your questions and comments:*

*1. As of Friday June 8, 2007, Markham is plugged. Will drop off the C-103 by BCM plugging to the NMOCD in Hobbs today. I have forwarded a cc of same to Billy Prichard.*

*State E 7169 is under partner dispute resolution and simultaneously awaiting plugging equipment.*

*Nellis 2 will be recompleted late this year in the Penn.*

*2. Ainsworth A is plugged except empty tank battery still on location. We have home for the battery and still working with tank movers to move the same...shooting for no later than August...we are at their mercy!*

*3. Top of Wolfcamp is: 9644'.*

*4. Phillips Petroleum was the original operator. It was drilled as a Kemnitz Wolfcamp in 1958 and was plugged as a dry hole. Was re-entered in 1982 as a Morrow test, which again was non-productive. It was recompleted in the Wolfcamp in 1984. Penroc tried more than once to make this a commercial producer, but low oil and high production made this well uneconomical.*

*Thanks for your assistance.*

M.Y. (MERCH) MERCHANT  
 PRESIDENT  
 PENROC OIL CORPORATION/PENROC OIL & GAS EQUIPMENT,FZC/JOE'S WELL  
 SERVICE, HAMPTON INN & SUITES, DEL RIO, TEXAS, RINGING BELLS, DBA TACO  
 BELL/GRAND RESOURCES,FORT STOCKTON,TEXAS  
 (505)492-1236 PH. (505)492-1237 FAX HOBBS  
 PLEASE CONTACT FOR U.A.E. PHONE/FAX

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

Subject: SWD Application on behalf of Penroc Oil Corporation: New Mex  
 "A" Well No. 2 API No. 30-025-01269  
 From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>  
 Date: Wed, June 13, 2007 8:52 am  
 To: <shabillron01@warpdriveonline.com>  
 Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>,  
 "Macquesten, Gail, EMNRD" <gail.macquesten@state.nm.us>, "Kautz,  
 Paul, EMNRD" <paul.kautz@state.nm.us>

Hello B E P

This application looks good. After reviewing:

6/14/2007

- 1) I know Penroc has plans to put wells back on line, but our system still shows 3 wells out of 48 producers as "inactive" or out of compliance so still a problem. I will check with Gail to see if this is OK.
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- 3) This may be nitpicking, but would you please let me know the top of the Pennsylvanian in this well?
- 4) Since you are abandoning a depleted producer, please have an engineer talk a little about efforts to keep this going, and whether injection into this interval will cause waste of offsetting Wolfcamp oil reserves and why it will not? I already saw this well is low on structure.

Let me know,

Thank You,

William V. Jones PE  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

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6/14/2007

**Jones, William V., EMNRD**

**From:** mymerch@penrocoil.com  
**Sent:** Thursday, June 14, 2007 9:32 AM  
**To:** Jones, William V., EMNRD  
**Cc:** Billy Prichard  
**Subject:** [FWD: FW: Kemnitz-250]

*Please see the mail from our long term consulting geologist in Midland regarding the top of the Penn.  
Thanks for your cooperation.*

M.Y. (MERCH) MERCHANT  
PRESIDENT

PENROC OIL CORPORATION/PENROC OIL & GAS EQUIPMENT,FZC/JOE'S WELL SERVICE,  
HAMPTON INN & SUITES, DEL RIO, TEXAS, RINGING BELLS, DBA TACO BELL/GRAND  
RESOURCES,FORT STOCKTON,TEXAS  
(505)492-1236 PH. (505)492-1237 FAX HOBBS  
PLEASE CONTACT FOR U.A.E. PHONE/FAX

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

Subject: FW: Kemnitz-250  
From: "mohammed merchant" <mymerch@hotmail.com>  
Date: Thu, June 14, 2007 8:29 am  
To: mymerch@penrocoil.com

**M. Y. (MERCH) MERCHANT  
PRESIDENT**

**PENROC OIL/MERCHANT HOSPITALITY,LLC(HAMPTON INN & SUITES, DEL  
RIO, TEXAS)/JOE'S WELL SERVICE/RINGNG BELLS,LLC dba TACO  
BELL/PENROC OIL & GAS EQUIPMENT, DUBAI, UAE,GRAND RESOURCES,LLC**

**www.penrocoil.com**

**(penroc ph)/(830)775-9700 (hotel phone) (fax)**

From: GLEN LUFF <glenluff@sbcglobal.net>  
To: mohammed merchant <mymerch@hotmail.com>  
Subject: Kemnitz-250  
Date: Thu, 14 Jun 2007 08:27:52 -0700 (PDT)

I had a cross-section thru Sec. 25. I didn't have the Penn picked but had all other zones. Checking scout ticket picks and looking at logs on the section, here is what I have for 250:

Top	Wolfcamp	9644
	Kemnitz Z	10736
	Penn	11254
	Seaman Z	11463

I show perfs in Seaman@+/-11500, zone above in Cisco @ 11350, zone in Wc @ 11150 and 3 zones in Kemnitz

6/14/2007

from10810 to 11050.

I could check for paleo reports to see if there are any in the area, but these tops look pretty good now. If you need anything else, let me know.

---

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6/14/2007

**Jones, William V., EMNRD**


---

**From:** Jones, William V., EMNRD  
**Sent:** Wednesday, June 13, 2007 11:02 AM  
**To:** 'shabillron01@warpdriveonline.com'  
**Subject:** FW: SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

William V. Jones PE  
 New Mexico Oil Conservation Division  
 1220 South St. Francis  
 Santa Fe, NM 87505  
 505-476-3448

---

**From:** Macquesten, Gail, EMNRD  
**Sent:** Wednesday, June 13, 2007 10:09 AM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

Will- I checked the inactive well list, too, and you are correct. Penroc has 3 wells on the Rule 40 inactive well list. Because it operates between 4 and 100 wells, it may have no more than 2 wells on the list. If Penroc believes that one or more of the wells on the inactive list is there in error, it should check with the district office. Gail

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**From:** Jones, William V., EMNRD  
**Sent:** Wednesday, June 13, 2007 9:53 AM  
**To:** shabillron01@warpdriveonline.com  
**Cc:** Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Kautz, Paul, EMNRD  
**Subject:** SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

Hello B E P

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Let me know,

Thank You,

William V. Jones PE  
 New Mexico Oil Conservation Division  
 1220 South St. Francis  
 Santa Fe, NM 87505  
 505-476-3448

6/13/2007

## Jones, William V., EMNRD

---

**From:** Jones, William V., EMNRD  
**Sent:** Wednesday, June 13, 2007 9:53 AM  
**To:** 'shabillron01@warpdiveonline.com'  
**Cc:** Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Kautz, Paul, EMNRD  
**Subject:** SWD Application on behalf of Penroc Oil Corporation: New Mex "A" Well No. 2 API No. 30-025-01269

Tracking:	Recipient	Read
	'shabillron01@warpdiveonline.com'	
	Ezeanyim, Richard, EMNRD	Read: 6/13/2007 10:34 AM
	Macquesten, Gail, EMNRD	
	Kautz, Paul, EMNRD	

Hello B E P

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New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

6/13/2007

SWD Order Number 688 Dates: Division Approved \_\_\_\_\_ District Approved \_\_\_\_\_Well Name/Num: NEW MEX A #2 Date Spudded: 6/12/58API Num: (30-) 025-01269 County: LEAFootages 661 FSL/1983 FEL Sec 25 Tsp 16S Rge 33EOperator Name: PENROC OIL CORPORATION Contact Bill E. PRICHARD (agent)Operator Address: PO BOX 2769 Hob, NM 88241Current Status of Well: DEPLETED Lower WC oil well Planned Work: Commercial SWD Inj. Tubing Size: 2 7/8 @ 1500'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/2 13 3/8	395	500	CIRC
Intermediate	11 8 5/8	4552	1110	CIRC
Production	7 7/8	11610		NO CSG/PEA
Last DV-Tool				re-acted 1982 5 1/2 installed
Open Hole/Liner	7 7/8 5 1/2	13484 DVE 10102		
Plug Back Depth		CMT above 2500'		

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒Checks (Y/N): Well File Reviewed ☒ ELogs in Imaging ☒

Intervals:	Depths	Formation	Producing (Yes/No)
Sal/Potash	152-2756		
Capitan Reef			
Cliff House, Etc:			
Formation Above	9785	WC	Top of 1 is at 10736
Top Inj Interval	19839	WC KEMNITZ	2168 PSI Max. WHIP
Bottom Inj Interval	11556	WC	NO Open Hole (Y/N)
Formation Below	12252	STRAWN	NO Deviated Hole (Y/N)

OCTONE, NMT, etc / water quality /  
NM WAIDSFresh Water: Depths: 0-? Wells(Y/N) yes Analysis Included (Y/N) yes Affirmative Statement ☒Salt Water Analysis: Injection Zone (Y/N/NA) \_\_\_\_\_ Dis/Waters (Y/N/NA) \_\_\_\_\_ Types: Lower WC + many othersNotice: Newspaper(Y/N) ☒ Surface Owner SLO Mineral Owner(s) SLOOther Affected Parties: Chad R. Martin / MEM OIL Co / MACMONT / CINCINNATI / Poudre / YatesAOR/Repairs: NumActiveWells 2 Repairs? NO Producing in Injection Interval in AOR yesAOR Num of P&A Wells 2 Repairs? NO Diagrams Included? yes RBDMS Updated (Y/N) \_\_\_\_\_Well Table Adequate (Y/N) yes AOR STRs: Sec \_\_\_\_\_ Tsp \_\_\_\_\_ Rge \_\_\_\_\_ UIC Form Completed (Y/N) ☒New AOR Table Filename \_\_\_\_\_ Sec \_\_\_\_\_ Tsp \_\_\_\_\_ Rge \_\_\_\_\_ This Form completed ☒

Conditions of Approval: Sec \_\_\_\_\_ Tsp \_\_\_\_\_ Rge \_\_\_\_\_ Data Request Sent \_\_\_\_\_

This is lowest well on STRUCTURE

EST = 3400 PSI INITIAL Res PSI based on

AOR Required Work: 3000' From Surface initial water level of WC. perf.

Required Work to this Well: \_\_\_\_\_