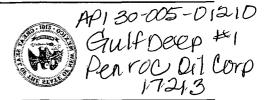
## ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

I)EC 22 pm - 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] TYPE OF APPLICATION - Check Those Which Apply for [A] [1] Location - Spacing Unit - Simultaneous Dedication □NSL □ NSP □ Check One Only for [B] or [C] Commingling - Storage - Measurement [B] DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery ☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR [D]Other: Specify [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  $\Box$  Does Not Apply Working, Royalty or Overriding Royalty Interest Owners [B]Offset Operators, Leaseholders or Surface Owner [C] Application is One Which Requires Published Legal Notice Notification and/or Concurrent Approval by BLM or SLO [D]U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office For all of the above, Proof of Notification or Publication is Attached, and/or, [E] [F] Waivers are Attached SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] 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. 12/16/08 Date Billy E. Prichard Agent for Penroc Oil Corporation Print or Type Name billy@pwllc.net

e-mail Address

SWD-1158

## <u>Pueblo West</u> Oilfield Consulting Service

REGEIVED: 2008 DEC 22 PM 12 51

**December 18, 2008** 

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

Billy E. Fruhm

To Whom It May Concern: Please find enclosed form C108 for Penroc Oil Corporation. Also enclosed is Penrocs (Ogrid # 17213) in – active well list from NMOCD web site.

Should you have any questions or need anything further, please do not hesitate to contact me by phone or via email at <a href="mailto:billy@pwllc.net">billy@pwllc.net</a>

Sincerely,

Billy(Bill)E.Prichard

125 Greathouse Village

Decatur, TX 76234

432-934-7680 cell

940-627-5449 fax Email; billy@pwllc.net

## **Inactive Well List**



Total Well Count: 45 Inactive Well Count: 1 Since 10/2/2007 Printed On: Thursday, December 25 2008 AM 11 57

District API Well ULSTR Unit OGRID Operator Type Type Type Production Formation/Notes Status Date

1 30-025-25782 NELLIS FEDERAL 0-6-19S-33E 0 17213 PENROC OIL FOR DATE OF THE PRODUCT OF

WHERE Ogrid:17213, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Will, Here is the inactive well list for Penroc Oil to include with the SWD permit application for the Gulf Deep # 1 (API # 30-005-01210)

**Thanks** 

Billy(Bill)E.Prichard

**Agent for Penroc Oil Corporation** 

Billy E. Prulm

432-934-7680

Email; billy@pwllc.net

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108 Revised June 10, 2003

## **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 88241-2769
	CONTACT PARTY: Billy E.Prichard PHONE: 432-934-7680
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:
	<ol> <li>Proposed average and maximum daily rate and volume of fluids to be injected;</li> <li>Whether the system is open or closed;</li> <li>Proposed average and maximum injection pressure;</li> <li>Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,</li> <li>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.).</li> </ol>
*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.
	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 for Penroc Oil Corporation
	NAME: Billy E. Prichard  SIGNATURE:  DATE: 12/16/08
*	E-MAIL ADDRESS: billy@pwllc.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:

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

## ರಕ್ಷಾ, William V., EMNRD

From:

billy@pwllc.net

Sent:

Thursday, December 25, 2008 8:02 AM

To: Subject: Jones, William V., EMNRD [FWD: In Active well list]

Attachments:

Inactive Well List.doc

Will, I fat fingered your email address. Maybe this note will go thru. Billy E.Prichard 432-934-7680

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

Subject: In Active well list From: billy@pwllc.net

Date: Thu, December 25, 2008 7:53 am

To: williams.v.jones@state.nm.us

Will, Per my earlier email, attached is the in active well list for Penroc Oil Corporation Ogrid # 17213. I left

this is out when I submitted the SWD application for the Gulf Deep # 001 API # 30-005-01210.

Thanks BEP

This inbound email has been scanned by the MessageLabs Email Security System.

## **Inactive Well List**

Total Well Count: 45 Inactive Well Count: 1 Since: 10/2/2007 Printed On: Thursday, December 25 2008

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type		Last Production	Formation/Notes	Status	TA Exp Date
l	30-025-25782	NELLIS FEDERAL #002	O-6 -19S-33E	О	17213	PENROC OIL CORP	F	0	03/1997	BONE SPRING	T	5/22/1999

WHERE Ogrid:17213, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

## Penroc Oil Corporation C108( Application for Authorization for Injection) Gulf Deep # 001 API # 30-005-01210

660 FNL X 1980 FWL

Unit Letter "C", Section 34, T14S, R31E Chaves County, New Mexico

T

The purpose of this application is for the administrative approval of the use of the Gulf Deep # 001 as a commercial San Andres Salt Water Disposal Well.

II.
Penroc Oil Corporation
Ogrid # 17213
PO Box 2769
Hobbs, New Mexico 88241
Billy E. Prichard
432-934-7680

III.
Well Data
Please see Exhibit "A"

IV.

This is not an expansion of an existing project

V. Please see Exhibit "B"

VI.

13 wells were identified in the 0.5 mile area of review

No wells penetrate the proposed disposal interval in the 0.5 mile area of review

All of the 13 wells are plugged and abandoned

Please see Exhibit "C" for individual well total depth

VII.

Proposed average disposal volume is anticipated to be 3000 BWPD with a maximum disposal volume of 6000 BWPD

Anticipated disposal pressure of 0psig

Maximum disposal pressure of 763 psig

This will be an open system

The disposed fluid will be fluid piped in and trucked in from numerous producing formations in southeast New Mexico

Please see Exhibit D for produced water analysis  $\checkmark$ 

Penroc Oil Corporation
C108( Application for Authorization for Injection)
Gulf Deep # 001
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico

## VIII.

The San Andres is a carbonate reservoir of Permian Age.
Above the San Andres is the Queen formation.
Below the San Andres is the Glorieta formation.

IX.

No stimulation is planned unless disposal rates and pressures dictate.

X.

Logs and completion data submitted by previous operators.

XI.

No active and producing fresh water wells were found within the 1.0 mile AOR Water samples were pulled and analyzed for a windmill well located in NW ¼, Section 12, T15S, R31E Chaves county, New Mexico

Fresh water analysis of other wells in the area

Please see Exhibit "E".

## XII.

Available geological data has been examined and shows no evidence of open faults or any hydrological connection between the disposal zone and any underground source of drinking water.

XIII.

Proof of Notice and Proof of Publication
Please see Exhibit "F"

Page 2 of 2

# Penroc Oil Corporation C108( Application for Authorization for Injection) Gulf Deep # 001 API # 30-005-01210 660 FNL X 1980 FWL Unit Letter "C", Section 34, T14S, R31E Chaves County, New Mexico

## Well Data

Spud 11/7/1958 as deep morrow test

13 3/8" 35# & 48# H40 casing set in 17 ½" hole at 428 feet. Cemented with 550 sacks Regular neat cement. Cement circulated to surface.

9 5/8"36# S80 & J55 casing set 12 1/4"hole at 3817 feet. Cemented with 1800 sacks Class "C" cement with 4% Gel followed by 150 sacks Class "C" cement. Cement circulated to surface.

8 1/2"hole drilled to 13230 feet.

Plugged as follows
59 sack cement plug 13230-13030ft
44 sack cement plug 9800-9700ft
37 sack cement plug 8800-8700ft
118 sack cement plug 5200-4800ft
36 sack cement plug 3850-3750ft
15 sack cement plug 50ft to surface

Re-entered by CW Trainer March 2008 Drilled out surface plug and plug at 3750ft PBTD 4750ft – San Andres non productive

Plugged and abandoned by CW Trainer July 2008 100feet of cement plug 3870-3763ft 100feet of cement plug at 2350ft Squeezed at 457feet with 65 sack cement plug – tagged at 405ft 25 sack cement plug 60ft to surface Penroc Oil Corporation
Gulf Deep # 1
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico
Current Well Diagram

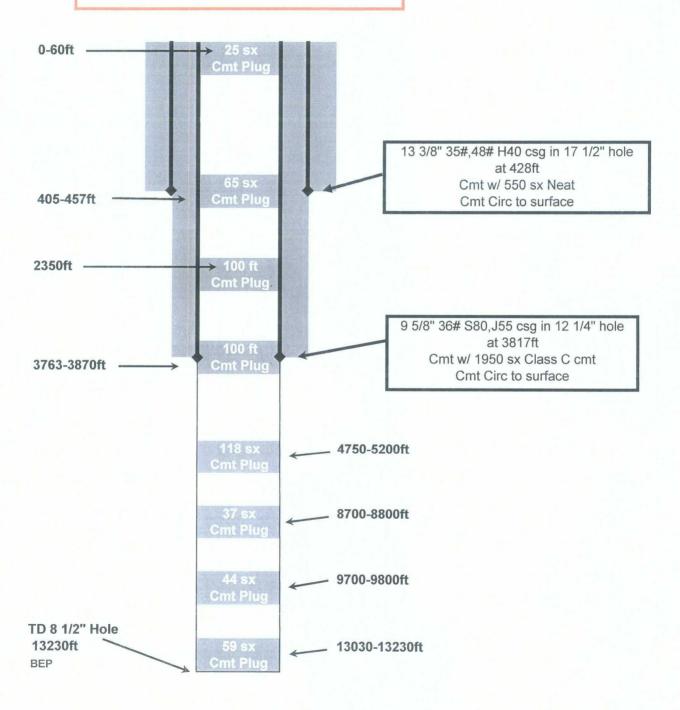


Exhibit A

Penroc Oil Corporation
Gulf Deep # 1
API # 30-005-01210
660 FNL X 1980 FWL
Unit Letter "C", Section 34, T14S, R31E
Chaves County, New Mexico
After Conversion to SWD

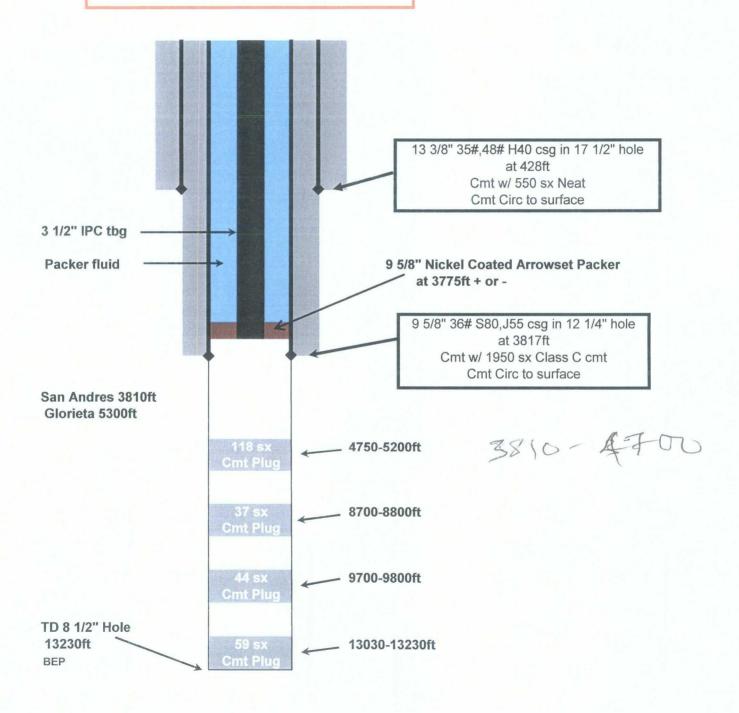


Exhibit A

Exhibit B

	PRE-ONGARD WELL OPER. POWO PRE-ONGARD WELL POW	PAGE 1 OF 2
3089 CHAVES 3108 CHAVES 3103 CHAVES 3103 CHAVES 3102 CHAVES 3120 CHAVES 3120 CHAVES 3120 CHAVES 3120 CHAVES 3121 CHAVES 3121 CHAVES 3121 CHAVES 3121 CHAVES		
- PLU 14S - PLU	PLU 14S 31E	O PLU 14S 31E I ACT 14S 31E I PLU 14S 31E
467 3000501209 POWO 1043 3000501146 POWO 1319 3000501198 POWO 1320 3000501198 POWO 1683 3000501194 POWO 1684 3000501195 POWO 1686 3000501195 POWO 1869 3000501145 POWO 1992 3000501148 POWO 2334 3000501147 POWO 2515 3000501147 POWO POW 2539 3000501147 POWO POW POW 2639 3000501147 POWO POW	3000501186 UNION O CO O 3000501199 POWO 3000501199 POWO 3000501142 POWO 3000501142 POWO 3000501162 UNION O CO O 3000501183 POWO 3000501189 UNION O CO O 3000501161 POWO 3000501185 UNION O CO O O 3000501185 UNION O CO O O 3000501185 UNION O CO O O O O O O O O O O O O O O O O	3000501161 KOB 3000501161 KOB 3000501197 POWO

ST TWN RNG SEC UNT TVD COUNTY 14S 31E 34 C 0 CHAVES

WELL T

API OPERATOR LEASE 3000501210 C W TRAINER GULF DEEP

RAD

PAGE 2 OR 2



# QA/QC Report Water Analysis

Client:	Penroc
Well:	
Field:	
Formation:	
BHST:	
MD:	(ft)
TVD:	(ft)
Perforation Start:	(ft)
Perforation End:	(ft)

Well	lο	cati	on	

State:

Country:

**United States** 

_	-		_			
Se	~/!	2	( ):	•	<b>Δ</b> F	11.
JE			v	u	CI.	π.

Lab Request #:

**Date Prepared:** 

12-12-2008

District:	HOBBS	
Phone:	575 393 6186	
Fay		

Lab Technician:	A. Galindo	Well Site Technician:	
Phone:		Phone:	
Email Address:		Email Address:	

This information is presente liability for advice or recomn product or service.

Exhibit D

orger assumes no the use of any

Client Well Penroc

Report # Date

12-12-2008



# Section 1: District Lab Water Analysis

Tank Ta		Sample #	1 - 1		Sp Gravity	lron (mg/l)	KCI YS	Chloride (mg/l)	Carbo- nate (mg/l)	BiCarbo nate (mg/l)	rbo- te (//)	rbo- Hydro- te xide g/l) (mg/l)		Hydro- Magne- xide sium (mg/l) (mg/l)	Hydro- Magne- xide sium (mg/l) (mg/l)
Production 1 Water	_		65	6.65	1.15	٥	14.14	(67355)		240		488	488 0	488 0 0	488 0 0 4010
Windmill Water			<b>6</b> 5	7.68	1.00	0	0.19	886	2	240	40 488			488 0	488 0 122

Production water is from

Penroc Oil Corporation

API #: 3000521028 Well\_Name: L WRINKLE #001
Location: D-13-15.0S-31E, 990 FNL, 660 FWL Lat:33.0206201945 Long:-103.781516655
Operator Name: PENROC OIL CORP [Operator and Lessee Info] County: Chaves
Land Type: Private Well Type: Oil Spud Date: Plug Date:

Elevation GL: Depth TVD: 11500 Tulk; Wolfcamp, Southwest















	General Informatio	n About: Sample	2284			
	STAT	E JO 001				
API	3002500354	Sample Number				
Unit/Section/ Township/Range	O / 33 / 15 S / 32 E	Field				
County	Lea	Formation	_			
State	NM	Depth				
Lat/Long	32.96851 / -103.71999	Sample Source	WELLHEAD			
TDS (mg/L)	(117536)	Water Type	_			
Sample Date(MM/DD /YYYY)		Analysis Date(MM/DD /YYYY)	_			
Remarks/Description	on					
Catio	on Information	Anion Information				
	(mg/L)		(mg/L)			
Potassium (K)		Sulfate (SO)	1300			
Sodium (Na)		Chloride (CI)	71040			
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	_			
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	606			
Barium (Ba)		Hydroxide (OH)				
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)				
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	_			
Iron (Fe)		Oxygen (O)	_			





## Exhibit D













	General Informatio	n About: Sample	2354		
	LEA GE	STATE 001			
API	3002500351	Sample Number			
Unit/Section/ Township/Range	B/32/15 S/32 E	Field			
County	Lea	Formation			
State	NM	Depth	_		
Lat/Long	32.97835 / -103.73712	Sample Source	UNKNOWN		
TDS (mg/L)	(77,222)	Water Type	<del></del>		
Sample Date(MM/DD /YYYY)	— X.	Analysis Date(MM/DD /YYYY)			
Remarks/Description	on				
Catio	on Information	Anion Information			
	(mg/L)		(mg/L)		
Potassium (K)		Sulfate (SO)	1970		
Sodium (Na)		Chloride (CI)	44700		
Calcium (Ca)		Carbonate (CO <sub>3</sub> )			
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	870		
Barium (Ba)		Hydroxide (OH)			
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	_		
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	_		
Iron (Fe)		Oxygen (O)	_		





Exhibit D













	General Informatio	n About: Sample	1243			
	TU	LK001				
API	3000501050	Sample Number	_			
Unit/Section/ Township/Range	B / 13 / 14 S / 31 E	Field	_			
County	Chaves	Formation				
State	NM	Depth				
Lat/Long	33.10926 / -103.77335	Sample Source	heater treater			
TDS (mg/L)	(66509)	Water Type	Produced Water			
Sample Date(MM/DD /YYYY)	7/14/1983	Analysis Date(MM/DD /YYYY)				
Remarks/Description	on					
Catio	on Information	Anion Information				
	(mg/L)		(mg/L)			
Potassium (K)		Sulfate (SO)	325			
Sodium (Na)	31901	Chloride (CI)	61000			
Calcium (Ca)	2160	Carbonate (CO <sub>3</sub> )	_			
Magnesium (Mg)	2840	Bicarbonate (HCO <sub>3</sub> )	184			
Barium (Ba)		Hydroxide (OH)	<del></del>			
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	0			
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )				
Iron (Fe)	10	Oxygen (O)	2			





## Exhibit D













	General Informatio	n About: Sample	5906		
	TRIGG FI	EDERAL 001			
API	3000501006	Sample Number			
Unit/Section/ Township/Range	I / 09 / 14 S / 31 E	Field	CAPROCK		
County	Chaves	Formation	ARTESIA		
State	NM	Depth	_		
Lat/Long	33.11559 / -103.81959	Sample Source			
TDS (mg/L)	(203550)	Water Type	_		
Sample Date(MM/DD /YYYY)	7/19/2000	Analysis Date(MM/DD /YYYY)	8/2/2000		
Remarks/Description	on .				
Catio	on Information	Anion Information			
	(mg/L)		(mg/L)		
Potassium (K)	682.52	Sulfate (SO)	3986.64		
Sodium (Na)	83464.1	Chloride (CI)	136251		
Calcium (Ca)	4144.84	Carbonate (CO <sub>3</sub> )	0		
Magnesium (Mg)	940.16	Bicarbonate (HCO <sub>3</sub> )	468.95		
Barium (Ba)	0.113	Hydroxide (OH)	_		
Manganese (Mn)		Hydrogen Sulfide (H <sub>2</sub> S)	33.9		
Strontium (Sr)	68.93	Carbon Dioxide (CO <sub>2</sub> )	_		
Iron (Fe)	3.955	Oxygen (O)			





Client Well Report # Date Penroc

: 12-12-2008



# Section 1: District Lab Water Analysis

						·	Vater Analys	/sis Results (1)	ਤਿ (1)						
Tank	Tank ID	Sample	Temp	모	dS dS	lron	Chloride	Chloride	Carbo-	BiCarbo-	Hydro-	Magne-	Cal-	Hard-	Su-
*		#	(degF)	=	Gravity	(mg/l)	Percent As KCI	(mg/l)	nate	nate	xide	sium	cium	ness	phate
					()		(%)		(mg/l)	_(mg/l)	(mg/l)	(mg/l)	(mg/l)	(mg/l)	(mg/L)
_	Production		65	6.65	1.15	0	14.14	(67355)	240	488	0	0	4010	18	200
	AAGIGI			1											
2	Windmill	_	65	7.68	1.00	a	0.19	886	240	488	0	122	201	2	90
	Water														

Exhibit E Windmill Water













	General Inform	ation About: Sam	ple 3629
Section/ Township/Range	30 / 14 S / 31 E	Lat/Long	33.0744 / -103.861
Elevation	4052	Depth	0
Date Collected	5/2/1961	Chlorides	450
Collector / Point of Collection	SEO / DP	Use	Stock
Formation	CHINLE	TDS	0





Exhibit E













	General Inform	ation About: Sam	ple 4803
Section/ Township/Range	23 / 14 S / 31 E	Lat/Long	33.0889 / -103.7917
Elevation	4395	Depth	292
Date Collected	7/17/1990	Chlorides	35
Collector / Point of Collection	SEO / DP	Use	Commercial
Formation	OGALLALA	TDS	0





Exhibit E

## **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 Divison seeking administrative approval of the conversion of the Gulf Deep #001, API #30-005- 01210, 660 FNL X 1980 FWL, Unit Letter "C", Section 34, Township 14 South, Range 31 East, Chaves county, New Mexico from a plugged and abandoned gas well to a San Andres commercial salt water disposal well. The disposal interval would be the San Andres formations through open hole from 3817-4750 feet. Disposal fluid would be produced water trucked in from numerous producing formations in SE New Mexico. Anticipated disposal rate of 3000 BWPD with a maximum disposal rate of 6000 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 763 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 432-934-7680.

Legal Notice will published in the Roswell Daily Record

Affidavit of Publication will be forwarded to NMOCD when recieved

Exhibit F

# Penroc Oil Corporation C108( Application for Authorization for Injection) Gulf Deep # 001 API # 30-005-01210 660 FNL X 1980 FWL Unit Letter "C", Section 34, T14S, R31E Chaves County, New Mexico

## **Notified Parties**

Surface Owner

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

Surface Lessee

Harvey Dale Taylor PO BOX 1270 LOVINGTON, NM 88260

KERR-MCGEE O/G ONSHORE, LP LAND DEPARTMENT 5735 PINELAND DRIVE, SUITE 300 DALLAS, TX 75231

KEVIN O. BUTLER & ASSOCIATES, INC. 500 W. TEXAS, SUITE 660 MIDLAND, TX 79701

> CHEVRON U S A INC BRUCE ISABEL 11111 S. WILCREST HOUSTON, TX 77099

United State of America BLM 2909 West Second Street Roswell, NM 88201

New Mexico Oil Conservation Divison District 1 1625 N. French Drive Hobbs, NM 88240

Exhibit F

## AFFIDAVIT OF PUBLICATION STATE OF NEW MEXICO

I, Janice Bounds Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time

beginning with the issue dated

December

11th

2008

and ending with the issue dated

December

11th

2008

Clerk

Sworn and subscribed to before me

this 15h day of Decmeber, 2008

Notary Public

My Commission expires

June 13, 2010

**Exhibit F** 

(SEAL)

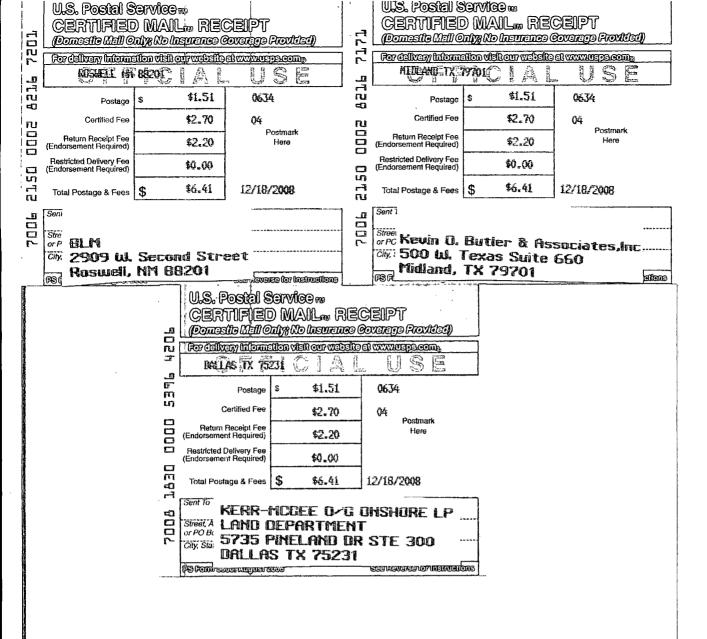
## Publish December 11, 2008

Legal Notice

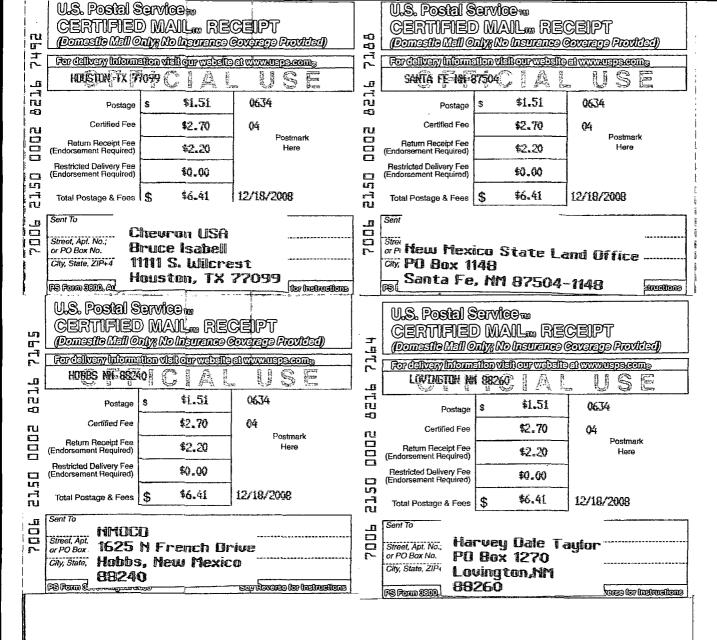
Penroc Oil Corporation, PO Box 2769, Hobbs, New Mexico 88241 has filed form C-108 (Application Authorization to Inject) with the New Mexico Oli Conservation Divison seeking administrative approval of the conversion of the Gulf Deep #001, API #30-005- 01210, 660 FNL X 1980 FWL, Unit Letter "C", Section 34, Township 14 South, Range 31 East, Chaves county, New Mexico from a plugged and abandoned gas well to a San Andres commercial salt water disposal well. The disposal interval would be the San Andres formations through open hole from 3817-4750 Disposal fluid would be produced water trucked in from numerous producing formations in SE New Mexico.

Anticipated disposal rate of 3000 BWPD with a maximum disposal rate of 6000 BWPD. Anticipated disposal pressure 0 psi with a maximum disposal pressure of 763 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 432-934-7680.



**Exhibit F** 



**Exhibit F** 

## Ezeanyim, Richard, EMNRD

From:

billy@pwllc.net

Sent:

Wednesday, January 28, 2009 4:21 PM

To: Subject: Ezeanyim, Richard, EMNRD Gulf Deep SWD application

Attachments:

San Andres water analysis 1.doc; San Andres water analysis 2.doc

Richard, Per our phone conversation, attached is the analysis of San Andres water from the closest SA production that I could find to the Gulf Deep well.

Thanks
Billy(Bill)E.Prichard
Agent for Penroc Oil Corporation
432-934-7680 cellular
940-627-5449 fax
email; billy@pwllc.net

This inbound email has been scanned by the MessageLabs Email Security System.

Genera	al Information	About: Sample 6	625
	RED HAT STA	ATE UNIT 001	
API	3002531110	Sample Number	
Unit/Section/ Township/Range	15 / 02 / 16 S / 33 E	Field	SAUNDERS
County	Lea	Formation	SA
State	NM	Depth	
Lat/Long	32.95226 / - 103.63101	Sample Source	
TDS (mg/L)		Water Type	
Sample Date(MM/DD/YYYY)	8/1/2001	Analysis Date(MM/DD/YYYY)	
Remarks/Description			Pride and Garden and Art Control and Contr
Cation Info (mg/l		Anion Info (mg/	· (4) [17] (4) (4) [17] [18] [18] [18] [18] [18] [18] [18] [18
Potassium (K)		Sulfate (SO)	3125
Sodium (Na)		Chloride (CI)	92868
Calcium (Ca)	2120	Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)	462.9	Bicarbonate (HCO <sub>3</sub> )	1171
Barium (Ba)	0	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H₂S)	110
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)	0.3	Oxygen (O)	

San Andres water analysis

Data obtained from http://octane.nmt.edu

Genera	al Information	About: Sample 3	842
	STATE	BN 002	
API	3002520105	Sample Number	
Unit/Section/ Township/Range	M / 14 / 10 S / 32 E	Field	MESCALERO
County	Lea	Formation	SA
State	NM	Depth	
Lat/Long	33.44085 / - 103.64910	Sample Source	UNKNOWN
TDS (mg/L)	248182	Water Type	
Sample Date(MM/DD/YYYY)		Analysis Date(MM/DD/YYYY)	
Remarks/Description			
Cation Info (mg/		Anion Info (mg/	经存款 医成结节 人名格雷尔 人名马克
Potassium (K)		Sulfate (SO)	3260
Sodium (Na)		Chloride (Cl)	149000
Calcium (Ca)		Carbonate (CO <sub>3</sub> )	
Magnesium (Mg)		Bicarbonate (HCO <sub>3</sub> )	42
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H₂S)	
Strontium (Sr)		Carbon Dioxide (CO <sub>2</sub> )	
Iron (Fe)		Oxygen (O)	9

San Andres water analysis
Data obtained from http://octance.nmt.edu

## Ezeanyim, Richard, EMNRD

From:

billy@pwllc.net

Sent:

Friday, January 30, 2009 3:30 PM

To:

Ezeanyim, Richard, EMNRD

Subject:

[FWD: Gulf Deep SWD application]

Per our phone conversation Billy E. Prichard 432-934-7680

----- Original Message ------Subject: Gulf Deep SWD application

From: billy@pwllc.net

Date: Thu, January 29, 2009 6:17 pm To: richard.ezeanyim@state.nm.us

Richard, I did not get your phone message until late this afternoon, the clearing up of the problem with the State E 7169 #1 (API#30-025-05098)will take a few days. Well is plugged and abandoned and the rancher wanted the equipment on the location. We finally got a letter from him today accepting the responsibility for the equipment. The letter was taken to the NMOCD (District 1)office today and the well should be released with in the next week. We did not intend to put any additional bonding in place for the Gulf Deep well until it was nessecary after filing the C101, C102, C144. The approval of the SWD application was the first step in this long process.

Thanks for your help. Billy(Bill)E.Prichard Agent for Penroc Oil 432-934-7680 cellular 940-627-5449 fax

email: billy@pwllc.net

This inbound email has been scanned by the MessageLabs Email Security System.

# Inactive Well Additional Financial Assurance Report 17213 PENROC OIL CORP Total Well Count: 44 Printed On: Tuesday, February 03 2009

			Pri	oca U	n: Tuesday, Fe	brua	у 03 200	9 Inactive			Bond	Bond	
Property	Well Name	Lease Type	ULSTR	Unit Letter	API	Well Type	Last Prod/Inj	Additional Bond Due	Measured Depth	Required Bond Amount	Required Now	In Place	In Violation
27862	BARNES FEDERAL #001	F	B-24-09S-35E	В	30-025-21759	G	12/2008		9719			0	
	BARNES FEDERAL #002	F	D-24-09S-35E	D	30-025-02664	0	12/2008		9764			0	
32446	CABOT STATE #001	S	I-14-11S-33E	I	30-025-21864	0	12/2008	01/01/2011	9950	14950		0	
26964	DELTA FEE #001	Р	P-2 -22S-27E	P	30-015-25617	G	12/2008	01/01/2011	Unknown	Unknown		0	
26965	DELTA FEE C #001	Р	C-12-22S-27E	С	30-015-25484	G	12/2008	01/01/2011	Unknown	Unknown		0	
23225	FEDERAL 3 #002	F	J-3 -19S-32E	J	30-025-25701	0	12/2008		13150			0	
25684	KINCHELOE 2 STATE #001	S	K-2 -21S-36E	K	30-025-24136	0	12/2008	01/01/2011	6361	11361		0	
29705	L WRINKLE #001	Р	D-13-15S-31E	D	30-005-21028	0	12/2008	01/01/2011	11500	16500		0	
23847	LOST TANK SWD #001	F	2-31-21S-32E	Ε	30-025-31443	S	12/2008		8364			0	
26963	MARTINEZ 31 FEDERAL #001	F	F-31-19S-29E	F	30-015-23195	0	12/2008		Unknown			0	
19016	MCMILLAN FEDERAL COM #001	F	J-14-20S-27E	J	30-015-22384	0	12/2008		Unknown			0	
23892	MOLLY STATE #001	S	3-1 -22S-31E	С	30-015-26815	0	12/2008	01/01/2011	Unknown	Unknown		0	
	MOLLY STATE #002	S	F-1 -22S-31E	F	30-015-26830	0	12/2008	01/01/2011	Unknown	Unknown		0	
	MOLLY STATE #003	S	4-1 -22S-31E	D	30-015-26831	0	12/2008	01/01/2011	Unknown	Unknown		0	
	MOLLY STATE #004	S	E-1 -22S-31E	Е	30-015-26855	0	12/2008	01/01/2011	Unknown	Unknown		0	
32187	N H 5 FEDERAL #001	F	7-5 -16S-34E	G	30-025-29769	0	12/2008		13337			0	
23945	NELLIS C FEDERAL GAS COM #001	F	H-8 -19S-33E	н	30-025-26799	G	12/2008		13701			0	
23944	NELLIS FEDERAL #001	F	O-5 -19S-33E	0	30-025-01663	G	12/2008		13723			0	
	NELLIS FEDERAL #002	F	O-6 -19S-33E	0	30-025-25782	0	03/1997		13699			0	
	NELLIS FEDERAL #003	F	F-6 -19S-33E	F	30-025-26091	0	12/2008		13715			0	
	NELLIS FEDERAL #004	F	G-6 -19S-33E	G	30-025-29680	0	12/2008		3705			0	
	NELLIS FEDERAL #005	F	5-6 -19S-33E	E	30-025-31607	0	12/2008		3750			0	
	NELLIS FEDERAL #006	F	4-6 -19S-33E	D	30-025-31608	0	12/2008		3724			0	
	NELLIS FEDERAL #009	F	F-5 -19S-33E	F	30-025-26008	0	12/2008		13689			0	
8916	NEW MEX A #001	S	K-25-16S-33E	κ	30-025-01268	0	12/2008	01/01/2011	11587	16587		0	
20959	NEW MEXICO 8 STATE #001	S	J-8 -09S-33E	J	30-025-24241	0	12/2008	01/01/2011	4600	9600		0	
	NEW MEXICO 8 STATE #002	S	L-8 -09S-33E	L	30-025-24666	0	12/2008	01/01/2011	4535	9535		0	
	NEW MEXICO 8 STATE #003	S	N-8 -09S-33E	N	30-025-24797	0	12/2008	01/01/2011	4512	9512		0	
8917	NEW MEXICO STATE #001	s	G-32-14S-34E	G	30-025-31622	0	12/2008	01/01/2011	11900	16900		0	
	PENROC 10 STATE #001	s	M-10-10S-34E	М	30-025-34613	0	12/2008	01/01/2011	9090	14090		0	
	PENROC 10 STATE #002	S	N-10-10S-34E	N	30-025-38616	0			Unknown			0	
24847	PENROC 9 STATE #001	S	I-9 -10S-34E	I	30-025-34686	0	12/2008	01/01/2011	9080	14080		0	
30817	PENROC STATE 23 #001	S	K-23-12S-32E	K	30-025-26566	0	12/2008	01/01/2011	11264	16264		0	
	PENROC STATE BJ #001	S	I-35-17S-35E	I	30-025-03026	0	12/2008	01/01/2011	9009	14009		0	
	PENROC STATE BJ #003	S	O-35-17S-35E	0	30-025-03028	0	12/2008	01/01/2011	9015	14015		0	
30813	PENROC STATE DV #001	S	L-23-12S-32E	L	30-025-27893	0	12/2008	01/01/2011	10450	15450		0	
	SAN SIMON 6 STATE COM #001	s	H-6 -22S-35E	н	30-025-26949	.0	12/2008	01/01/2011	13300	18300		0	
	SAPPHIRE FEDERAL SWD #002	F	C-23-19S-33E	С	30-025-31198	0	12/2008		8000			0	
	SAPPHIRE FEDERAL UNIT #001	F	J-23-19S-33E	j	30-025-31491	S	12/2008		4820			0	
	STATE GC #001	S	O-7 -22S-35E	0	30-025-26559	0	12/2008	01/01/2011	13510	18510		0	
	STATE GC #002	s	C-7 -22S-35E	c	30-025-38617	0	12/2008	01/01/2011	999	5999		0	
23893	STATE MV COM #001	s	L-16-19S-24E	L	30-015-23549	G	12/2008	01/01/2011	8744	13744		0	
	STATE SA #001	S	G-20-16S-34E	G	30-025-01919	o	12/2008	01/01/2011	11411	16411		0	
	STATE SA #002	S	H-20-16S-34E	Н	30-025-01920	0	12/2008	01/01/2011	10740	15740		0	

WHERE Ogrid:17213

1625 N. French Dr., Hobbs, NM 88240 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Françis Dr., Şanta Fe, NM 87505

## State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

MONTHLY GAS STORAGE REPORT

Submit one copy to Santa Fe

and one copy to appropriate
District Office postmarked by 24<sup>th</sup>
Day of succeeding month.
See Rule 1131.

Form C-131A

Revised June 10, 2003

## 2009 FEB. 3 PM 1 13

Western Refining Company, L.P. (Company)

PO Box 1345 Jal, New Mexico 88252 (Address)

NAME OF STORAGE PROJECT	Jal Terminal	COUNTY	Lea	Month/Year 12-08
WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 1 30-025-35954	M32-23S-37E	0	0	4,953
		RECEIV	(ED	
		JAN 297		
		HOBBSO	CD	

	TO	DTALS
TOTAL CAPACITY (MMCF)	201,013 Barrels	CALCULATED RESERVOIR PRESSURE @ END OF MONTH 868 I hereby certify that this report is true and complete to the best of my
BEGINNING STORAGE (MMCF)	<u>194,336 Barrels</u>	knowledge and belief.
NET CHANGE (MMCF)	4,953 Barrels	Signature
ENDING STORAGE (MMCF)	189,383 Barrels	Printed Name & Title. Ken Parker, Manager
		E-mail Address ken.parker@wnr.com
		Date 1-21-09 Telephone No. 575-395-2632

1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis/Dr., Santa Fe, NM 87505

## State of New Mexico **Energy Minerals and Natural** Resources

**Oil Conservation Division** 1220 South St. Francis Dr. Santa Fe, NM 87505

Revised June 10, 2003

Form C-131A

Submit one copy to Santa Fe and one copy to appropriate District Office postmarked by 24<sup>th</sup> Day of succeeding month. See Rule 1131.

3 PM 1 13 2009 FEB

## MONTHLY GAS STORAGE REPORT

Western Refining Company, L.P.

(Company)

PO Box 1345 Jal, New Mexico 88252

(Address)

NAME OF STORAGE PROJECT

Jal Terminal

COUNTY

Lea

Month/Year 12-08

WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 2 30-025-35955	M32-23S-37E	0	0	13,497
			RECE JAN Z HOBBS	ी प्राप्तात
	TOTALS			

TOTALS

TOTAL CAPACITY (MMCF)	144,443 Barrels	OF MONTH 735  I hereby certify that this report is true and complete to the best of my
BEGINNING STORAGE (MMCF)	15,249 Barrels	knowledge and belief.
NET CHANGE (MMCF)	13,497 Barrels	Signature
ENDING STORAGE (MMCF)	1,752 Barrels	Printed Name & Title Ken Parker, Manager
		E-mail Address ken.parker@wnr.com

Date 1-21-09 Telephone No. 575-395-2632

1625 N. French Dr., Hobbs, NM 88240 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico **Energy Minerals and Natural** Resources

Oil Conservation/Division 1220 South St. Francis Dr. 2009 Santa F3 NM 875053

Submit one copy to Santa Fe and one copy to appropriate District Office postmarked by 24<sup>th</sup> Day of succeeding month. See Rule 1131.

Form C-131A

Revised June 10, 2003

## MONTHLY GAS STORAGE REPORT

## Western Refining Company, L.P.

(Company)

## PO Box 1345 Jal, New Mexico 88252

(Address)

NAME OF STORAGE PROJECT

Jal Terminal

COUNTY

Lea

Month/Year 12-08

WELL NAME AND NUMBER	LOCATION UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 3 30-025-35956	M32-23S-37E	0	0	3,679
		H	ECEIVEI Jan 2 9 7/11/14 DBBSOCD	
	TOTALS			·

TOTALS

TOTAL CAPACITY (MMCF)	79,692 Barrels	CALCULATED RESERVOIR PRESSURE @ END OF MONTH 1.007
BEGINNING STORAGE (MMCF)	<u>24,352 Barrels</u>	I hereby certify that this report is true and complete to the best of my knowledge and belief.
NET CHANGE (MMCF)	3,679 Barrels	Signature
ENDING STORAGE (MMCF)	20,673 Barrels	Printed Name & Title Ken Parker, Manager

E-mail Address ken.parker@wnr.com

Date\_Telephone No. 575-395-2632

District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr Santa Fe, NM 87505 Form C-131A Revised June 10, 2003

Submit one copy to Santa Fe and one copy to appropriate District Office postmarked by 24<sup>th</sup> Day of succeeding month. See Rule 1131.

## 2009 FEB 3 PT 1 13 MONTHLY GAS STORAGE REPORT

Western Refining Company, L.P.

(Company)

PO Box 1345 Jal, New Mexico 88252

(Address)

NAME OF STORAGE PROJECT

Jal Terminal

COUNTY

Lea

Month/Year 12-08

WELL NAME AND NUMBER	<u>LOCATION</u> UNIT SEC. TWP. RANGE	MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITHDRAWAL (MCF)
31055 State LPG Storage Well No. 4 30-025-35957	M32-23S-37E	0	0	375
			ECEIVET JAN 2 9 7 4 1 OBBSOCD	
	TOTALS			

IOTALS				
TOTAL CAPACITY (MMCF)	136,626 Barrels	CALCULATED RESERVOIR PRESSURE @ END OF MONTH 1,067 Lharabut contribution among the total contribution and complete to the heat of must		
BEGINNING STORAGE (MMCF)	31,000 Barrels	I hereby certify that this report is true and complete to the best of my knowledge and belief.		
NET CHANGE (MMCF)	375 Barrels	Signature		
ENDING STORAGE (MMCF)	30,625 Barrels	Printed Name & Title Ken Parker, Manager		
		F-mail Address ken narker@wnr.com		

E-mail Address ken.parker@wnr.com

Date<u>1-21-09</u> Telephone No. <u>575-395-2632</u>