



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jon Goldstein**  
Cabinet Secretary

**Jim Noel**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



May 6, 2010

J. F. McAdams  
Agent: Ben Stone

**Re: Administrative Order SWD-1124**

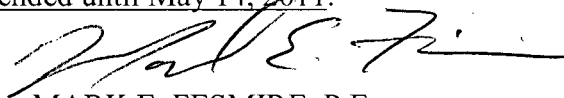
Brooks Federal Well No. 3 (API No. 30-025-01711)  
660 FSL, 1980 FEL, Sec 7, T20S, R33E, NMPM, Lea County  
Injection into the Yates, permitted Injection Depths: 2910 to 3025 OH

You have submitted a request on behalf of J. F. McAdams, for an extension of this injection permit beyond the one year deadline to commence injection for the reasons outlined in the attached correspondence.

The Division finds that granting McAdams' request to extend this injection permit is in the interest of conservation and will prevent waste and protect the environment.

All requirements of the above referenced injection permit remain in full force and effect including the following Special Requirements: "The operator shall clean this well out to total depth and run a modern porosity log from total depth to the surface and provide a copy of that log to the Hobbs district office. The operator shall run an injection survey with both tracer and temperature logs within 6 months of commencing injection and every 5 years thereafter or more often as required by the Division. Copies of these logs shall be provided to the Hobbs district office. In order to prevent excessive localized pressuring of the Yates formation, this well is not permitted to dispose of waste-waters from wells not operated by the operator of this saltwater disposal well. The permit to inject into this well can be immediately revoked by the Division without notice if it is found that injected waters are not confined within the permitted injection depths or if sufficient evidence exists that the Capitan Reef or the Potash/Salt intervals are being invaded by waters being injected into this well. The wellhead injection pressure on the well shall be limited to **no more than 582 psi.**"

The deadline to commence injection is hereby extended until May 14, 2011.



MARK E. FESMIRE, P.E.  
Acting Director

Cc: OCD – Hobbs, File: SWD-1124



## Jones, William V., EMNRD

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**From:** Ben Stone [ben@sosconsulting.us]  
**Sent:** Wednesday, May 05, 2010 12:04 PM  
**To:** Jones, William V., EMNRD  
**Cc:** Gonzales, Elidio L, EMNRD; louray@valornet.com; swkfc@aol.com  
**Subject:** Request for SWD extension - Brooks Federal No.3 - SWD 1124...

Hello Will,

The subject SWD order, of which you authored, was permitted on May 14, 2008 and was granted an extension for J.F. McAdams while they tried to get the well ready.

Per the order, the well was cleaned out and a modern porosity log was run and submitted. For whatever reason, a few attempts at getting the well ready have been unsuccessful including most recently, a failed MIT conducted yesterday.

The operator has secured a rig as of this morning and they will be rigging up today or tomorrow.

I am also submitting a sundry notice to the Hobbs office as requested by Mr. Elidio (Speedy) Gonzales. As this is a federal well, I'm also submitting a BLM form 3160-5 sundry to the Carlsbad BLM office. The sundries will specify our intent to isolate a probably hole utilizing the plug and packer method. The hole will be cement squeezed and tubing and packer run back in the hole. The well will then be MIT'ed and witnessed by the Hobbs office to a pressure of 500 psi for 30 minutes.

We are hereby requesting a 60 extension to the current May 14, 2010 expiration date.

Please consider the following:

- 1) J. F. McAdams has worked over the well by cleaning out and running the requested porosity log.
- 2) J. F. McAdams has recently procured additional investors to get this well correctly repaired and operations underway.
- 3) The well is and has been actively worked on to get it in a ready state for injection to commence.
- 4) For any number of reasons described, we have simply pushed operations too close to the expiration date.
- 5) We firmly believe the well will be repaired within 30 days but think a 60 day allowance is more prudent considering the circumstances.
- 6) A 60 day extension has no impact on the larger picture of preventing waste, protecting correlative rights, underground sources of drinking water or the environment.

As there are only 9 days remaining, I would sincerely appreciate a verbal as soon as possible so that work may continue, followed by a written extension.

I understand the OCD's workload has not diminished much of late, but I truly appreciate your immediate consideration and response to our request.

Very truly yours,

  
 Ben Stone, Partner  
**SOS Consulting, LLC**

**CONFIDENTIALITY NOTICE:** This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.