



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



July 18, 2011

Fulfer Oil & Cattle LLC
C/o McKelvey Oil Reports LLC
32 Regency Square
Hobbs, NM 88242

Re: Extension of Allowable Shutin Period

Kimmy K Well No. 2 (API 30-025-26490)
2310 FNL, 1650 FWL, Unit F, Sec 29, T24S, R37E, NMPM, Lea County
Disposal, Seven Rivers and Queen formations, Depths: 3400 to 3501

You have submitted a request on behalf of Fulfer Oil & Cattle LLC, for a 9 month extension of the allowed shut-in period for this disposal permit for the reasons outlined in the attached correspondence. Division records show this well last reported disposal volumes in July of 2010. Therefore the allowed one year shut-in extends through July of 2011. Extending this for 9 additional months allows the shut-in period to go through the month of April, 2012.

19.15.26.12C. NMAC

Abandonment of injection operations.

(1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.

(2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26 12 NMAC, provided that any such extension may be granted only prior to the end of one year or continuous non-injection. or during the term of a previously granted extension.

As allowed in 19.15.26.12C(2) NMAC, the Division finds the environment would not be harmed by maintaining this disposal permit and your request for a 9 month extension should be granted.

All requirements of Order R-7137 and in Division Rules remain in full force and effect.



The deadline to commence injection is hereby extended until May 1, 2012. If injection has not commenced prior to that date, this permit shall expire *ipso-facto*.



JAM BAILEY

Director

Cc: Oil Conservation Division – Hobbs
File: Case 7719

Jones, William V., EMNRD

From: Debbie McKelvey [debmckelvey@earthlink.net]
Sent: Thursday, July 14, 2011 8:01 AM
To: Debbie McKelvey; Jones, William V., EMNRD
Cc: Gregg Fulfer; Debbie
Subject: Re: Kimmy #2 - API No.

Oops, I'm sorry; I failed to include the API in the original email. It is 30-025-26490.
Thanks.

R-7137
CASE 7719

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

From: Debbie McKelvey
Sent: Jul 14, 2011 7:55 AM
To: Will Jones
Cc: Gregg Fulfer , Debbie
Subject: Kimmy #2 - Extension to Shut In

Mr. Jones:

Fulfer Oil & Cattle LLC respectfully requests an extension to the one-year shut-in rule for the Kimmy #2 API. The well was shut in 7/31/2010 as it had a hole in the tubing and did not pass a pressure test. We request an additional 9 months to allow us time to review our options, file the applicable paperwork, and to do the work to return the well to active status.

Your consideration of this request is appreciated.

Thank you,
Debbie McKelvey, Agent
for Gregg Fulfer, Principal