

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF WISHBONE TEXAS
OPERATING COMPANY, LLC FOR
REINSTATEMENT OF INJECTION WELL PERMITS
TO ENHANCE OIL RECOVERY IN
DENTON DEVONIAN WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 20406

APPLICATION

Wishbone Texas Operating Company, LLC (“Wishbone”), through its undersigned attorneys, hereby files this application for an order reinstating injection well permits to enhance oil recovery in the Denton Devonian Waterflood Project (“the Project”). Applicant further requests the Division reaffirm that the Project and its related qualification under the Enhanced Oil Recovery Act (L. 1992, Ch. 38) has been continuous since initially approved by the Division.

In support of this application, Wishbone states:

1. Wishbone (OGRID 370256) is a working interest owner and the operator of the Denton Devonian Waterflood Project in the Devonian formation of the leases described below, insofar as they cover the following described lands:

Township 14 South, Range 37 East, NMPM (Buckley Lease)
Section 25: S/2SW/4

Township 14 South, Range 37 East, NMPM (W. T. Mann Lease)
Section 36: W/2NE/4

Township 14 South Range 37 East, NMPM (T. D. Pope 36 Lease)
Section 36: NW/4

Containing 320.00 acres, more or less, of fee lands.

2. The Denton (Devonian) Pool is developed on the Division's statewide rules, with 40-acre well spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line.

3. Applicant requests approval to reactivate the following two wells for injection of produced water from the project area into the Devonian formation:

- a. W. T. Mann A Well No. 2, an existing well located 660 feet from the north line and 2310 feet from the east line of Section 36, Township 14 South, Range 37 East; and
- b. T. D. Pope 36 Well No. 10, an existing well located 350 feet from the north line and 990 feet from the west line of Section 36, Township 14 South, Range 37 East.

4. All three leases covering the lands within the Denton Devonian Waterflood Project have continuously been held in effect by production.

5. This is an active water flood project and the application is not a horizontal or vertical expansion of the Denton Devonian Waterflood Project as originally approved.

6. Injection authority terminated on or about December 2014 due to inactivity by the previous unit operator.

7. Applicant requests that additional injection wells be approved administratively.

8. Applicant further requests that the Division affirm the Denton Devonian Waterflood Project as effective and qualified for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (L. 1992, Ch. 38) and Division regulations since approval of the project by Division Order No. R-13387 dated May 5, 2011.

9. Project Data is as follows:

- (a) Initial and current number of producing wells: 6 oil wells (then & now)
- (b) Initial and current number of injection wells: Two (2)

(c) Capital cost of additional reworking of injection wells: Unknown — wells were reworked by prior operator

(d) Estimated total cost of reworking of injection wells: Max of \$50,000.00

(e) Estimated value of incremental production: 200,000 to 250,000

(f) Estimated injection commencement date: Upon approval

(g) Type of injected fluid: Produced water

(h) Anticipated injection volumes: Max. 20,000 BWOD per well

10. Completed Form C-108 for the Project is attached hereto.

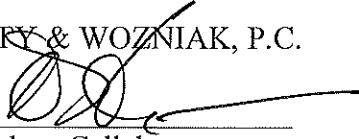
11. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving and reinstating the injection permit for the W. T. Mann A Well No. 2 and the T. D. Pope 36 Well No. 10; and
- B. Affirming the effective status of the Project and qualification for the recovered oil tax rate.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 
Candace Callahan
500 Don Gaspar Avenue
Santa Fe, New Mexico 87505
(505) 983-8545 or (505) 983-8765 (direct)
(800) 886-6566 (fax)
ccallahan@bwenergylaw.com

ATTORNEYS FOR WISHBONE TEXAS OPERATING
COMPANY, LLC

PROPOSED ADVERTISEMENT

Case No. _____: Application of Wishbone Texas Operating Company, LLC for Reinstatement of Injection Well Permits to Enhance Oil Recovery in Denton Devonian Waterflood Project, Lea County, New Mexico. Applicant in the above-styled cause seeks an order reinstating the injection well permits to enhance oil recovery in the Denton Devonian Waterflood Project ("the Project") for the (1) W. T. Mann A Well No. 2, an existing well located 660 feet from the north line and 2310 feet from the east line of Section 36, Township 14 South, Range 37 East, NMPM; and (2) T. D. Pope 36 Well No. 10, an existing well located 350 feet from the north line and 990 feet from the west line of Section 36, Township 14 South, Range 37 East, NMPM. Both wells will inject water produced from the Project area into the Devonian formation. The wells are located approximately 14 miles northeast from Lovington, New Mexico.