

HOLLAND & HART LLP



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal
Specialization

mfeldewert@hollandhart.com

July 21, 2009

VIA HAND DELIVERY

Mr. Mark Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14364

Re: Application of Judah Oil, LLC for a commercial salt water disposal well, MWJ State #1Y (API 30-015-23888), located 860 feet from the South line and 2020 feet from the West line of Unit N, Section 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

Since a protest has been filed to this administrative application, Judah Oil hereby requests that this matter be set for hearing before a Division Examiner on August 20, 2009. A legal advertisement for publication is enclosed.

Your attention to this matter is appreciated.

Sincerely,

Michael H. Feldewert

cc: William V. Jones, PE
James B. Campanella, Judah Oil

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☺

CASE 14364 Application of Judah Oil, L.L.C. for approval of a commercial salt water disposal well, Eddy County, New Mexico. Applicant seeks approval to convert its existing MWJ State #1Y (API 30-015-23888) oil well to a commercial salt water disposal well. Said well is located 860 feet from the South line and 2020 feet from the West line of Unit N, Section 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Application seeks to inject up to 4000 barrels of produced water per day at a maximum pressure of 726 psi into the Delaware formations through perforations from 3630 to 4975 feet. Application may be contacted through Blaise Campanella, PO Box 568 Artesia, NM 88211 or at 575-748-5488. Said well is located approximately six miles southeast of Malaga, New Mexico.

DATE IN 5/4/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 5/4/09	TYPE SWD	APP NO. PKAA0912449137
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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



30-015-23888
M.W. State 001Y
Judah Oil
245872

2009 MAY 4 AM 11 36

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]

[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 _____

Case 14364
NOT in Reef area
Just South of LOVINS, NM
West of Poth area

[2] **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

See New appln
WITH Lower
Deborah's
internal

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative 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.

Billy (Bill) E. Prichard

Agent for Judah Oil, LLC

Print or Type Name

Signature

Title

Date

billy@pwllc.net
e-mail Address

4/27/09

RECEIVED
2009 JUN 30 AM 11 32

To: New Mexico Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

Attn: Sonny Swazo

From: Scott Branson

PO Box 1502

Carlsbad, New Mexico 88221

575.885.2066

575.706.4049 or 575.706.3290

Re: Judah Oil, L.L.C.

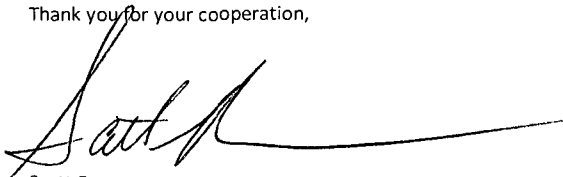
MWJ State # 001Y

API # 30-015-23888, 860 FSL X 2020 FWL, Unit Letter "N" Section 30, Township 24 South, Range 29 East, Eddy County, New Mexico.

I Scott Branson would like to oppose the C- 108 application for Authorization to inject from Judah Oil, L.L.C. The reasons for opposing are:

1. Lease road very long, trucking in and out will inhibit the growth of vegetation
2. Do not want oilfield traffic day and night disturbing cattle ranch.
3. Environmental issues.
4. High Traffic on grazing land.

Thank you for your cooperation,


Scott Branson

6/29/09

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705-5421
432-686-8235
FAX 432-686-7806

RECEIVED

2009 JUL 17 PM 2:29

July 13, 2009

Judah Oil, L.L.C.
Attn: Mr. Blaise Campanella
P. O. Box 568
Artesia, New Mexico 88210

Re: Amethyst Prospect
Eddy County, New Mexico
Notice of Application for Authorization to Inject
MWJ State #001Y
860' FSL & 2,020' FWL Section 30,
T-24-S, R-29-E, N.M.P.M.

Gentlemen:

Please be advised that Nearburg Producing Company has reviewed Judah Oil, L.L.C.'s revised C-108 Application for the captioned well, providing for perforations to be limited to those depths from 3,630' to 4,975', and hereby advises that it does not object to such Revised Application.

Should you have any questions, please contact our office.

Yours very truly,

NEARBURG PRODUCING COMPANY


Terry Gant
Midland Manager

TG:lf

cc: New Mexico Oil Conservation Division
Attn: Mr. William V. Jones
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Montgomery & Andrews, P.A.
Attn: Mr. J. Scott Hall
P. O. Box 2307
Santa Fe, New Mexico 87504-2307

6/17/09	7/2/09	WVS	6/17/09	SWD	PKAA0912449137
DATE	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



30-015-23888
 MWT State # 1Y
 JUDAH OIL 245872

ADMINISTRATIVE APPLICATION CHECKLIST

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☐ 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 _____

not in Reef
 SOUTH of LOVING, NM
 West of Potosi Area

[2] **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

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative 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.

Billy (Bill) E. Prichard

Agent for Judah Oil, LLC

Print or Type Name

Signature

Title

Date

Billy E. Prichard

6/15/09

billy@pwllc.net
 e-mail Address

Jones, William V., EMNRD

From: J. Scott Hall [SHall@montand.com]
Sent: Monday, July 13, 2009 1:34 PM
To: Jones, William V., EMNRD
Subject: RE: Judah Oil LLC SWD MWJ State 1-Y Sec. 30 T24S R29E

Will:

Nearburg is ok with the new intervals.
I'll watch for this to pop-up on the docket and will send over a letter if it looks like a hearing will be necessary.

J. Scott Hall
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
shall@montand.com
(505) 986-2646

THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO shall@montand.com AND DELETE THE MESSAGE. THANK YOU.

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

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Monday, July 13, 2009 1:11 PM
To: J. Scott Hall
Subject: RE: Judah Oil LLC SWD MWJ State 1-Y Sec. 30 T24S R29E

Hello Scott:

Judah sent a new application (6/15/09) to use this well for disposal, but into lower intervals that (they say) Nearburg has no problem with. (The original interval was proposed at 3052 – 4975. The revised interval is 3630 – 4975.) If this is not correct or if Nearburg did not get a copy of the revised application, let me know?

Meanwhile, Scott Branson protested to the new application on 30 June – and no one knows if he has an attorney or if so, what firm is representing him. He failed or has refused to send a copy of the protest letter to Judah.

The revised application has been cancelled administratively, but may be revived if Branson and Judah work out their differences – and if Nearburg has no objection?

Take Care,

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

From: J. Scott Hall [mailto:SHall@montand.com]
Sent: Monday, July 13, 2009 11:32 AM
To: Jones, William V., EMNRD
Subject: Judah Oil LLC SWD MWJ State 1-Y Sec. 30 T24S R29E

Will:

Have you heard anything more on this SWD application? Is it being set for hearing? If so, who is representing Judah? (I objected for Nearburg.)

Scott

J. Scott Hall
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
shall@montand.com
(505) 986-2646

THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO shall@montand.com AND DELETE THE MESSAGE. THANK YOU.

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

Hello Mr. Prichard:

After reviewing this application, we have the following questions:

Please address the issue of remaining oil and gas in the proposed injection interval. How has this been evaluated? Has the existing interval been stimulated or cleaned out to help it produce? What is the latest reservoir pressure/skin factor from a pressure buildup test? Do you have a log analysis on the prospective upper Delaware perforations or how do you propose to test these for productivity?

It was not clear whether this would be used to dispose of only Bone Spring and Delaware waters. If additional waters from other formations will be disposed in this well, please let us know the names and send a typical water analysis.

It is not clear whether this will be (i) a commercial disposal, (ii) used to take only waters from Judah's nearby operations, or (iii) a "lease-only" disposal. Please make that clear in the application.

Judah oil has 2 of 34 inactive wells, so that is OK. However, it has one well which needs a bond posted with Dorothy Phillips. Any proposed hearing for this matter will be continued until Judah is in compliance with Rule 5.9.

Please note, since Nearburg Producing Company (Scott Hall, Esq. w/ Montgomery & Andrews) has protested this application to inject into the Delaware, we can not issue a permit administratively.

Please let the OCD and Scott Hall know if Judah has retained an attorney and let us know if this will be pursued to the hearing stage. Please copy Mr. Hall on any further correspondence or replies to the above questions.

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

Jones, William V., EMNRD

From: billy@pwllc.net
Sent: Tuesday, July 07, 2009 2:08 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County

Will, Is there anyway we can get a copy of the protest from you, after calling this morning, I sense that I will get no cooperation from the protester.

Thanks

Billy(Bill)E.Prichard
4329347680

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

Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
Date: Mon, July 06, 2009 10:11 am
To: <billy@pwllc.net>
Cc: "Warnell, Terry G, EMNRD" <TerryG.Warnell@state.nm.us>

Hello Billy:

Just received a protest from Scott Branson.

If you do not have a copy, please call him (575-885-2066, 575-706-4049, 575-706-3290) for a copy.

As you know, we must cancel this admin order from our pending applications.

Let me know if you want this taken to hearing and I will pass the information on to Florene.

Regards,

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

From: billy@pwllc.net [<mailto:billy@pwllc.net>]
Sent: Monday, June 15, 2009 11:05 AM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; J. Scott Hall; Reeves, Jacqueta, EMNRD; Brooks, David K., EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County

Will, I have placed in the mail a new disposal application for the above well per Nearburg Producing Company request. The perforation intervals have been changed. Proof of Publication will be mailed to you as soon as received. A copy of the legal notice is enclosed in the new disposal application. Should you have further questions or need additional information, do not hesitate to call or email.

Thanks

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

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, July 06, 2009 11:11 AM
To: 'billy@pwllc.net'
Cc: Warnell, Terry G, EMNRD
Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County

Hello Billy:

Just received a protest from Scott Branson.

If you do not have a copy, please call him (575-885-2066, 575-706-4049, 575-706-3290) for a copy.

As you know, we must cancel this admin order from our pending applications.

Let me know if you want this taken to hearing and I will pass the information on to Florene.

Regards,

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

From: billy@pwllc.net [mailto:billy@pwllc.net]
Sent: Monday, June 15, 2009 11:05 AM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; J. Scott Hall; Reeves, Jacqueta, EMNRD; Brooks, David K., EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County

Will, I have placed in the mail a new disposal application for the above well per Nearburg Producing Company request. The perforation intervals have been changed. Proof of Publication will be mailed to you as soon as received. A copy of the legal notice is enclosed in the new disposal application. Should you have further questions or need additional information, do not hesitate to call or email.

Thanks

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

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

Subject: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
Date: Tue, May 26, 2009 9:08 am
To: <billy@pwllc.net>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>, "J. Scott Hall" <SHall@montand.com>, "Reeves, Jacqueta, EMNRD" <Jacqueta.Reeves@state.nm.us>, "Brooks, David K., EMNRD" <david.brooks@state.nm.us>, "Phillips, Dorothy, EMNRD" <dorothy.phillips@state.nm.us>

**Pueblo West
Oilfield Consulting Service**

June 15, 2009

RECEIVED

2009 JUN 17 PM 1 05

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

RE: Disposal Application on behalf of Judah Oil LLC: MWJ State 1Y 30-015-23888
Unit Letter N, Section 30, T24S, R29E, Eddy County

Mr. William V. Jones

Please find enclosed complete new disposal application for the above well. Perforation interval was changed to the specifications of Nearburg Producing Company the offset operator. Nearburg asked us to resubmit the disposal application with the new perforation intervals. Should you have further questions or need additional information, please do not hesitate to call or email.

Sincerely,



Billy(Bill)E.Prichard
Pueblo West
Oilfield Consulting Service
125 Greathouse Village
Decatur, TX 76234
432-934-7680 cellular
940-627-5449 fax
Email; billy@pwllc.net

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance ☒ Disposal _____ Storage
Application qualifies for administrative approval? ☒ Yes _____ No
- II. OPERATOR: **Judah Oil, LLC**
ADDRESS: **PO Box 568 Artesia, NM 88211**
CONTACT PARTY: **Blaise Campanella** PHONE: **575-748-5488**
- 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 ☒ 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(Bill) E. Prichard**

TITLE: **Agent for Judah Oil, LLC**

SIGNATURE: _____

DATE: _____

E-MAIL ADDRESS: **billy@pwllc.net**

432-934-7680

- * 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: _____

**Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico
C108 (Application for Authorization to Inject)**

I.

The purpose of this application is for administrative approval of the conversion of the MWJ State # 001Y from a Delaware oil well to a commercial Delaware salt water disposal well through perforations from 3630-4975 feet.

II.

Operator: Judah Oil, L.L.C.

Address: PO Box 568 Artesia, New Mexico 88211

Contact Party: Blaise Campanella Phone: 575-748-5488

III.

Well Data – Please see Exhibit "A"

IV.

This is not an expansion of an existing project

V.

Please see Exhibit "B"

VI.

There were 2 wells identified in the 0.5 mile area of review. 1 well did not penetrate the proposed disposal interval. 1 well did penetrate the proposed disposal interval.

Area of Review – Please see Exhibit "C"

VII.

Anticipated daily injection rate of 3000 BWPD with a maximum daily injection rate of 4000 BWPD.

This will be an open system.

Anticipated average injection pressure of 250psi with a maximum injection pressure of 726 psi.

Please see Exhibit "D" for analysis of possible water disposed in the MWJ State #001Y

Please see Exhibit "E" for analysis of typical Delaware formation water

VIII.

The Delaware formation is Permian age sandstone. Above the Delaware is the Lamar Limestone and below the Delaware is the Bone Springs formation. Fresh water is contained in the alluvial fill with depths ranging from 120-350ft. Permitted oil and gas wells in the area have surface casing set at 500-600feet.

IX.

No stimulation is planned unless disposal rates and pressures dictate.

X.

Well logs and completion data previously filed with NMOCD

Enclosed is copy of cement bond log that was ran in 1999

XI.

Several fresh water wells were identified in the 1.0 mile area of review.

Please see Exhibit "F" for analysis of fresh water from wells in the area.

XII.

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

XIII.

Please see Exhibit "G" for "Proof of Notice" and "Proof of Publication"

Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico
Well Data

Spud 7/12/1981 as Bone Springs Test
13 3/8" 59.4# J55 casing at 429feet in 17 1/2" hole.
Cemented with 520 sacks Class "C" cement with additives.
Cement circulated to surface.

8 5/8" 24# & 32# K55 casing at 2710feet in 12 1/4"hole.
Cemented with 2500sacks Howco Lite followed by 200sacks Class "C".
Cement circulated to surface.

4 1/2" 10.5# & 11.6# J55 & N80 casing at 8202feet in 7 7/8" hole.
DV Tool at 4796feet.
1st Stage – 765sacks Class "C" 50/50 Poz with 2% gel, 6# Salt, 5/10% CFR-2 & 1/4# flocele.
2nd Stage – 600sacks Lite with 5/10% CFR-2 & 1/4# flocele followed by 700 sacks Class "C"
50/50 Poz with 2% gel, 6# Salt, 5/10% CFR-2.
Cement Bond Log ran in 1999 indicates top of cement at 1418feet.
Bone Springs perforations 6700-7735feet.
Cast iron bridge plug set at 5280feet.
Delaware perforations 4881-4975feet.

Production Summary of api:3001523888 pool:PIERCE CROSSING; BONE SPRING,
SOUTH

producing year	Oil	Gas	Water	Co2
1992**	10334	22068	26509	0
1998	1396	0	1850	0
1999	721	2999	2181	0
summary	2117	2999	4031	0

Production Summary of api:3001523888 pool:WILLOW LAKE;DELAWARE

producing year	Oil	Gas	Water	Co2
1999	265	309	106	0
2000	377	67	404	0
2001	1969	3211	4005	0
2002	1237	2452	3771	0
2003	1183	2620	3277	0
2004	1130	1912	2515	0
2005	1039	1823	2527	0
2006	1075	2678	2405	0
2007	1117	1961	3182	0
2008	799	1781	3014	0
2009	29	1	310	0
summary	10220	18815	25516	0

Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico
Prior to conversion to SWD

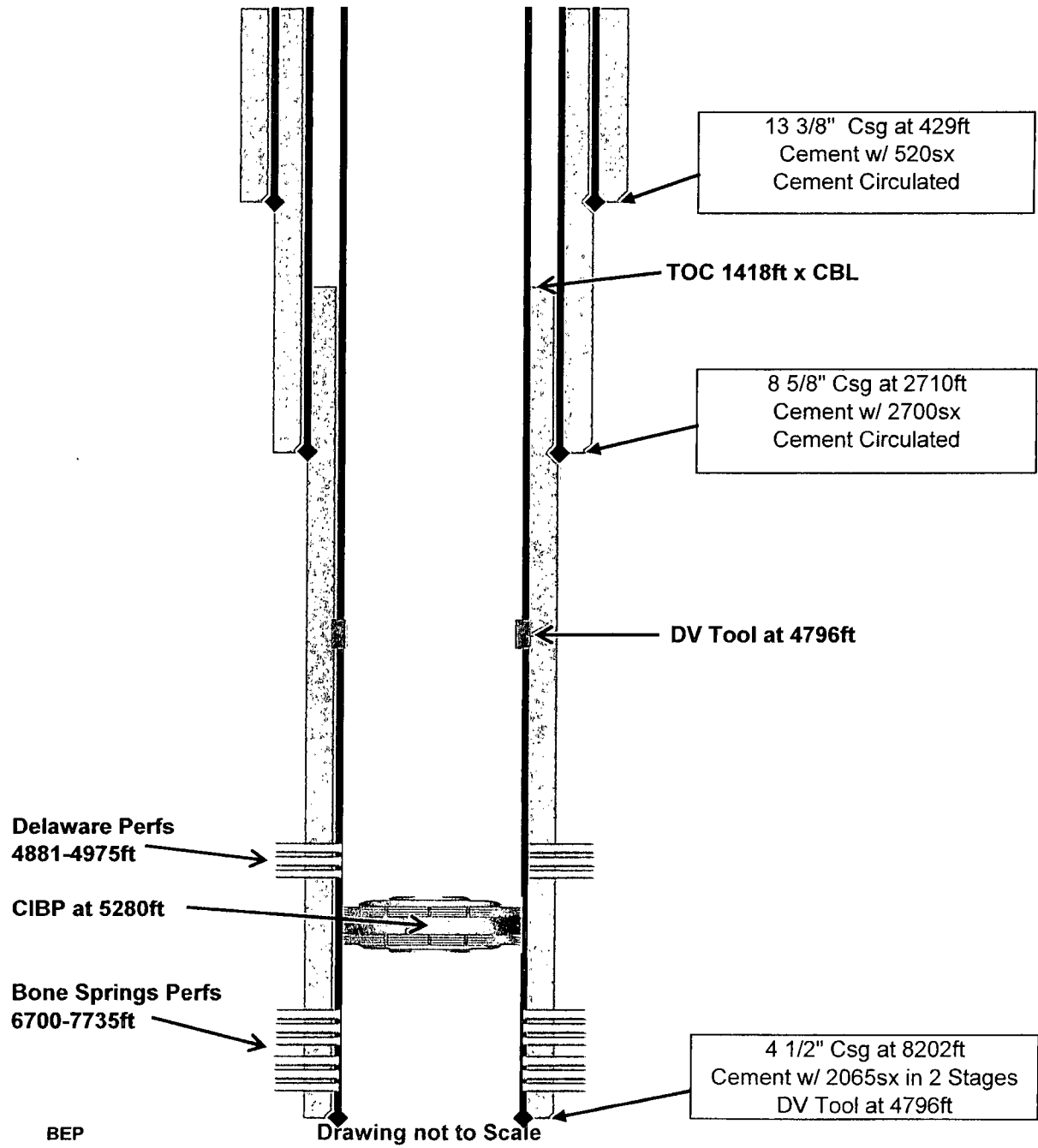


Exhibit "A"

Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico
After conversion to SWD

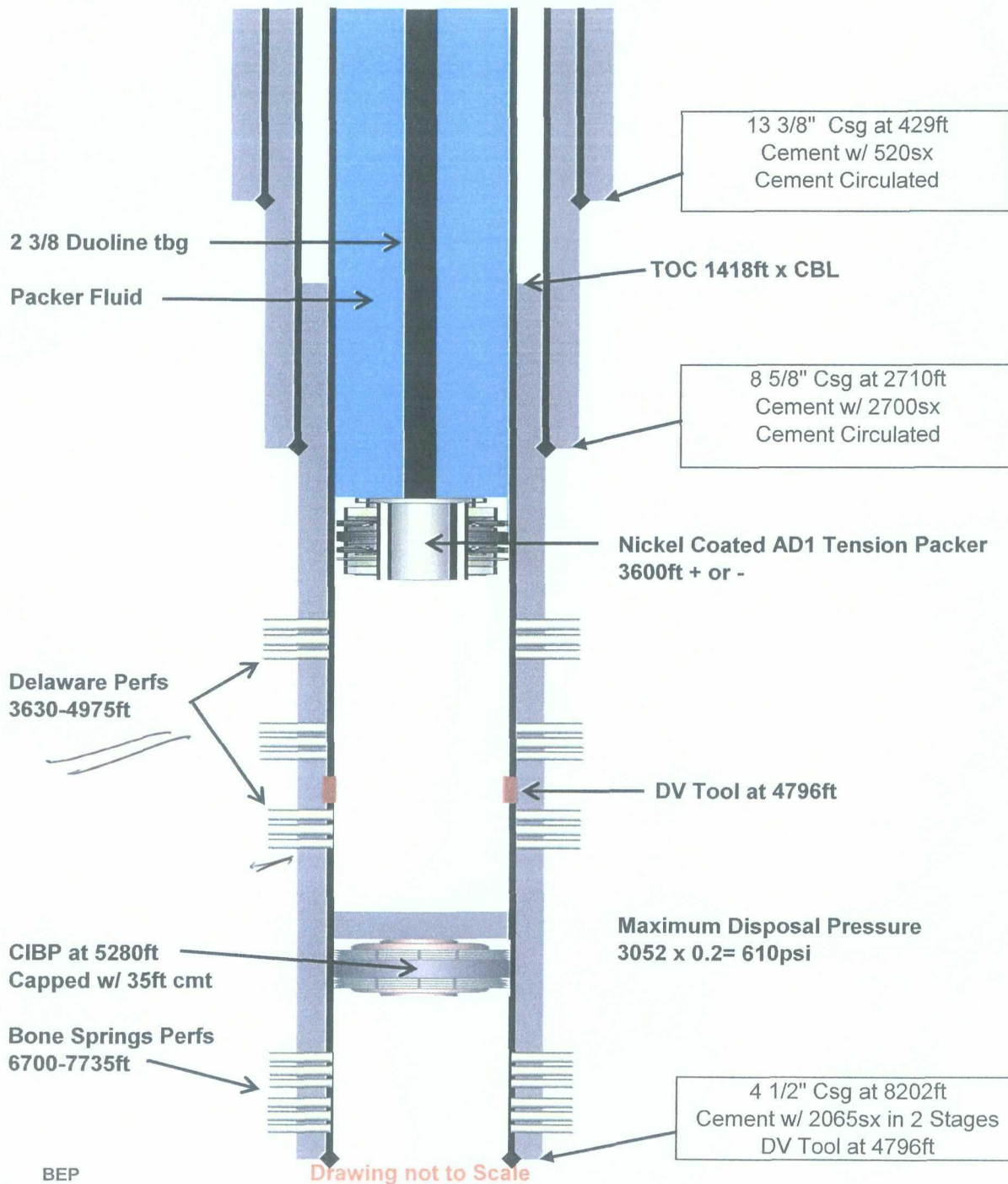


Exhibit "A"

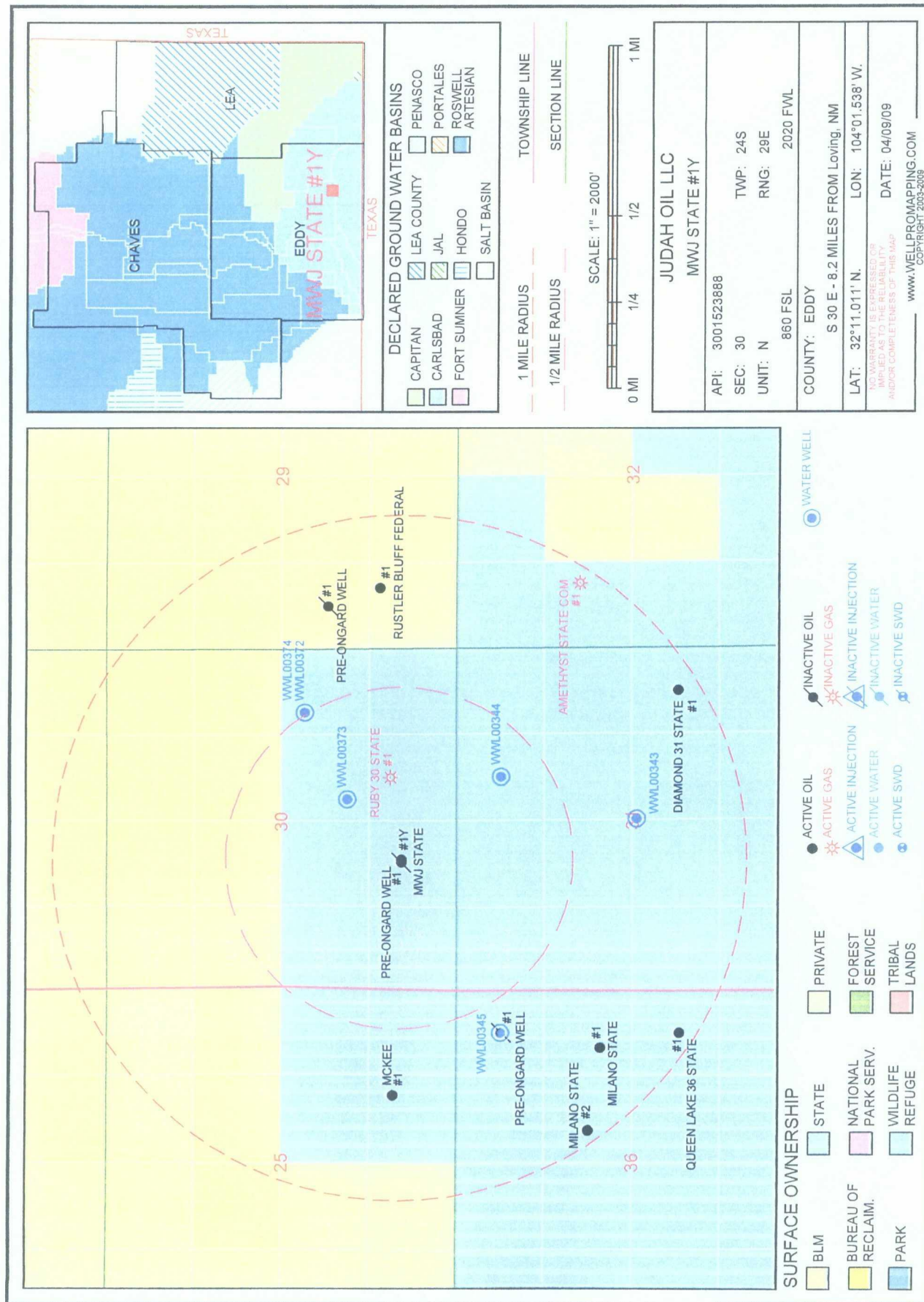


Exhibit "B"

**Judah Oil, L.L.C.
MWJ State # 001Y
Wells in AOR**

RAD	API	OPERATOR	LEASE	WELL	T	ST	TWN	RNG	SEC	UNT	TVD
	3001523888	JUDAH OIL	MWJ STATE	001Y	O	A	24S	29E	30	N	8202
1 40	3001523830	POWO	POW	1	O	P	24S	29E	30	N	2721
2 1265	3001526797	NEARBURG	RUBY 30 STATE	1	G	A	24S	29E	30	O	13400
3 3103	3001502510	POWO	POW	1	O	P	24S	28E	36	A	2795
4 3670	3001528268	NGX	MCKEE	1	O	A	24S	28E	25	O	5300
5 4051	3001503712	POWO	POW	1	O	P	24S	29E	29	L	2947
6 4185	3001527082	JUDAH OIL	RUSTLER BLUFF FEDERAL	1	O	A	24S	29E	29	M	6696
7 4211	3001527614	PRIMERO	MILANO STATE	1	O	A	24S	28E	36	H	6492
8 4941	3001526841	JUDAH OIL	DIAMOND 31 STATE	1	O	A	24S	29E	31	I	6591
9 5012	3001525806	PRIMERO	QUEEN LAKE 36 STATE	1	O	A	24S	28E	36	I	13650
10 5048	3001526542	NEARBURG	AMETHYST STATE COM	1	G	A	24S	29E	32	E	13489
11 5073	3001528141	PRIMERO	MILANO STATE	2	O	A	24S	28E	36	G	5360

Wells located within 0.5 mile area of review

POWO= Pre-Ongard Well Operator
POW = Pre-Ongard Well

**Nearburg Producing Company
Ruby 30 State # 001
API # 30-015-26797
990 FSL X 1980 FEL
Unit Letter "O", Section 30, T24S, R29E
Eddy County, New Mexico**

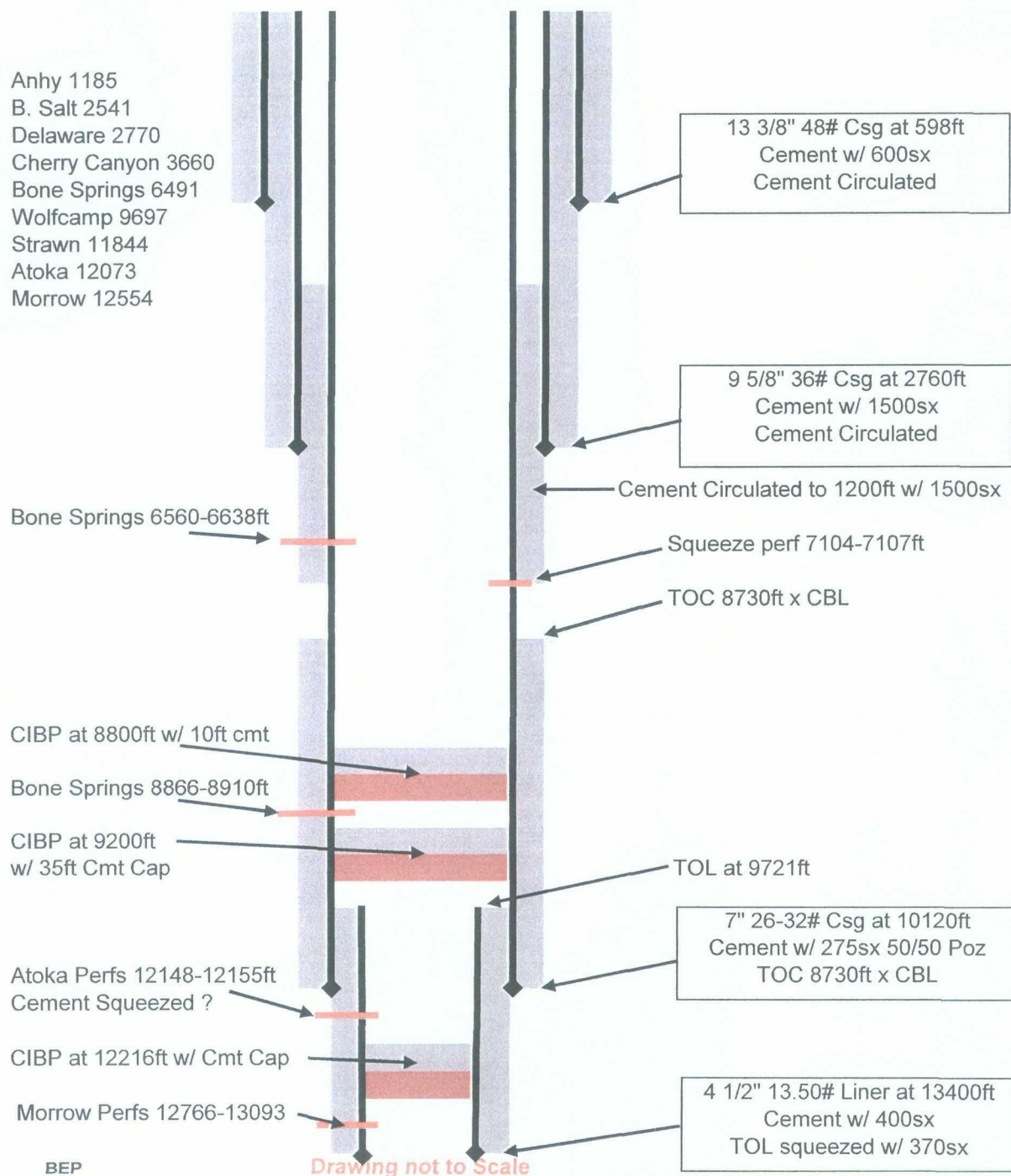


Exhibit "C"

Judah Oil,LLC
 MWJ State # 001Y
 Water Analysis

Possible Produced Water delivered to MWJ State # 001Y of				
Pool or Field	Section	Township	Range	Chlorides
Cedar Canyon; Delaware	21	24S	29E	62849
Livingston Ridge; Bone Springs	13	24S	29E	164963
Remuda; Bone Springs	24	23S	29E	168800
Remuda; Devonian	24	23S	29E	37500
Teledyne; Morrow	17	23S	29E	37600
				271010
				64582
				62523

Exhibit "D"

Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico

Typical Delaware Water Analysis

HOPi FEDERAL 001

API	3001529367	Sample Number	
Unit/Section/ Township/Range	F / 01 / 25 S / 28 E	Field	WILLOW LAKE
County	Eddy	Formation	DEL
State	NM	Depth	
Lat/Long	32.16122 / - 104.04209	Sample Source	
TDS (mg/L)	301207	Water Type	
Sample Date(MM/DD/YYYY)	2/2/2000	Analysis Date(MM/DD/YYYY)	2/9/2000 .
Remarks/Description			

**Cation Information
(mg/L)**

**Anion Information
(mg/L)**

Potassium (K)	746.928	Sulfate (SO)	84.987
Sodium (Na)	109024	Chloride (Cl)	221998
Calcium (Ca)	25348.9	Carbonate (CO ₃)	0
Magnesium (Mg)	2749.51	Bicarbonate (HCO ₃)	74.4534
Barium (Ba)	2.394	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	15.561
Strontium (Sr)	481.194	Carbon Dioxide (CO ₂)	
Iron (Fe)	34.713	Oxygen (O)	0

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

Exhibit "E"

Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico

Fresh Water Analysis T24S, R29E

General Information About: Sample 26884

Section/ Township/Range	07 / 24 S / 29 E	Lat/Long	32.2321 / - 104.0228
Elevation	2974	Depth	160
Date Collected	4/4/1985	Chlorides	2150
Collector / Point of Collection	SEO / TS@57	Use	Irrigation Water
Formation	CAST	TDS	0

General Information About: Sample 11583 Section/ Township/Range 29 / 24 S / 29
E Lat/Long 32.1884 / -104.0057 Elevation 0 Depth 0 Date Collected 5/8/1972 Chlorides 8750
Collector / Point of Collection USG / Use Observation Formation OAL TDS 0

General Information About: Sample 11616 Section/ Township/Range 30 / 24 S / 29
E Lat/Long 32.1884 / -104.0228 Elevation 0 Depth 0 Date Collected 5/10/1972 Chlorides
11600 Collector / Point of Collection USG / Use Observation Formation OAL TDS 0

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

Exhibit "F"

Legal Notice

Judah Oil ,L.L.C., PO Box 568, Artesia, New Mexico 88210 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval of the conversion of the MWJ State # 001Y, API #30-015- 23888, 860 FSL X 2020 FWL, Unit Letter "N", Section 30, Township 24 South, Range 29 East, Eddy county, New Mexico from a Delaware oil well to a Delaware commercial salt water disposal well. The disposal interval would be the Delaware formations through perforations from 3630-4975ft 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 4000 BWPD. Anticipated disposal pressure 250 psi with a maximum disposal pressure of 726 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 Blaise Campanella 575-748-5488.

Exhibit "G"

Pueblo West
Oilfield Consulting Service

RECEIVED

2009 JUN 23 AM 9 12

Will, enclosed is the original proof of publication for the disposal application of Judah Oil, LLC for the MWJ State # 001Y (API # 30-025-23888) that was mailed to the NMOCD Santa Fe office 6/15/2009.

Should you need further information or have questions, Please do not hesitate to call or email.

Thanks



Billy(Bill)E.Prichard
Agent for Judah Oil, LLC
125 Greathouse Village
Decatur, TX 76234
4329347680 cellular
9406275449 fax
Email; billy@pwllc.net

Affidavit of Publication

NO.

20716

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT

being duly

sworn, says: That he is the

PUBLISHER

of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication

June 11, 2009

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

11 Day

June

2009



OFFICIAL SEAL

Jo Morgan

NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6/6/2012

Jo Morgan

Notary Public, Eddy County, New Mexico

Copy of Publication:

Legal Notice

Judah Oil, L.L.C., PO Box 568, Artesia, New Mexico 88210 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval of the conversion of the MWJ State # 001Y,

API #30-015- 23888, 860 FSL X 2020 FWL, Unit Letter "N", Section 30, Township 24 South, Range 29 East, Eddy county, New Mexico from a Delaware oil well to a Delaware commercial salt water disposal well. The disposal interval would be the Delaware formations through perforations from 3630-4975ft 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 4000 BWPD.

Anticipated disposal pressure 250 psi with a maximum disposal pressure of 726 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 Blaise Campanella 575-748-5488.

Published in the Artesia Daily Press, Artesia, NM June 11, 2009.

Legal No. 20716

Judah Oil, L.L.C.
MWJ State # 001Y
API # 30-015-23888
860 FSL X 2020 FWL
Unit Letter "N", Section 30, T24S, R29E
Eddy County, New Mexico

Notified Parties

Surface Owner and Mineral Owner
State of New Mexico
New Mexico State Land Office
PO Box 1148
Santa Fe, New Mexico 87504-1148

Surface Lessee
Scott Branson
PO Box 1502
Carlsbad, New Mexico 88221-1502

Other Parties
Nearburg Producing Company
PO Box 823085
Dallas, Texas 75382

Northstar Operating Company
PO Box 10708
Midland, Texas 79702

Bureau of Land Management
2909 W. Second Street
Roswell, New Mexico 88201

Bettis Brothers, Inc & HNG Oil Company
PO Box 1240
Graham, Texas 76450

NGX Company
PO Box 5
Roswell, New Mexico 88202-0005

Primero Operating, Inc
PO Box 1433
Roswell, New Mexico 88202-1433

Murchison Oil and Gas, Inc
1100 Mira Vista Blvd
Plano, Texas 75093

7007 0710 0002 5069 8943

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Total Postage & Fees	\$ \$6.49	06/15/2009

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 Bettis Brothers, Inc & HNG Oil
 PO Box 1240
 Graham, TX 76450

PS Form 3800, August 2005 See Reverse for Instructions

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Total Postage & Fees	\$ \$6.49	06/15/2009

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 Street, Apt. 1
 or PO Box N
 City, State, Z
 HMOCD
 District 2
 1301 W Grand Ave
 Artesia, NM 88210

PS Form 3800, August 2005 See Reverse for Instructions

7006 2150 0002 8216 7485

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Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$6.49	06/15/2009

Sent To
 Primero Operating, Inc
 PO Box 1433
 Roswell, NM 88202-1433

PS Form 3800, August 2005 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ \$6.49	06/15/2009

Sent To
 Street or PO
 City, State, Z
 Murchison Oil and Gas, Inc
 1100 Mira Vista Blvd
 Plano, TX 75093

PS Form 3800, August 2005 See Reverse for Instructions

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Total Postage & Fees	\$ \$6.49	06/15/2009

Sent To
 Street, Apt
 or PO Box
 City, State, Z
 BLM
 2909 W. Second Street
 Roswell, NM 88201

PS Form 3800, August 2005 See Reverse for Instructions

Exhibit G

Pueblo West
Oilfield Consulting Service

April 28, 2009

Original

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

Please find enclosed NMOCD form C108 for Judah Oil, L.L.C seeking administrative approval of the conversion of the MWJ State # 001Y (API # 30-015-2388) from Delaware Oil Well to commercial salt water disposal well.

Should you have questions or need further information, please do not hesitate to call or email at the below numbers or email address.

Sincerely,

Billy E. Prichard

Billy (Bill) E. Prichard
Pueblo West
Oilfield Consulting Service
125 Greathouse Village
Decatur, TX 76234
432-934-7680 cell
940-627-5449 fax
Email; billy@pwllc.net



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

Cell: (505) 670-7362

Email: jsh@montand.com

Reply To: Santa Fe Office

www.montand.com

RECEIVED

2009 MAY 22 PM 3 22

May 22, 2009

Mark E. Fesmire, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Hand Delivered

Re: Administrative Application of Judah Oil, LLC for Approval of a Salt Water Disposal Well; MWJ State 1-Y, API No. 30-015-23888, 860' FSL and 2,020' FWL, Section 30, T24S, R29E, NMMPM, Eddy County, New Mexico

original in internal (3052-4975)

Dear Mr. Fesmire:

This firm represents Nearburg Producing Company. Please be advised that pursuant to Rule 19.15.26.8 D NMAC, Nearburg Producing Company objects to the referenced application.

Very truly yours,

J. Scott Hall

JSH:kw

cc: Will Jones, NMOCD
Blaise Campanella, Judah Oil, LLC
Linda Fiesler, Nearburg Producing Company

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

Inactive Well List

Total Well Count: 34 Inactive Well Count: 2 Since: 3/2/2008

Printed On: Tuesday, May 26 2009

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-005-10081	PENROC NEW MEXICO BW STATE #002	F-20-08S-33E	F	245872	JUDAH OIL LLC	S	O	12/1984	08/27/08 PUT WELL BACK ON PROD		
2	30-015-27346	TECOLOTE STATE #001	K-2 -21S-28E	K	245872	JUDAH OIL LLC	S	O	08/2006	DELAWARE		

WHERE Ogrid:245872, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

Form O-103

Revised March 25, 1999

WELL API NO.

30-015-23888

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

L-6425

7. Lease Name or Unit Agreement Name:

MWJ State

8. Well No.

1Y

9. Pool name or Wildcat

Willow Lake Delaware

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG OR TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-104) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Kay Jay Oil Company

3. Address of Operator

PO Box 568 Artesia, NM 88211-0568

4. Well Location

Unit Letter N : 860 feet from the South line and 2020 feet from the West line

Section 30 Township 24S Range 29E NMPM County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
2926.6 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions : Attach wellbore diagram of proposed completion or recompletion.

- 4/26/01 RUPU, Pull Rods & pump, hook-up BOP, tagged fill @ 4920' POH W/ 2 3/8 Tbg SION.
- 4/27/01 RIH W/ bit & 6 collers, cleaned out hole to 5270', POH, RIH with packer, set packer @ 4950 Pumped acid over perfs 4956-75, break at 1920 lbs, pumped 800 gal NEFE 7 1/2% HCL, Good ball action. Pumped 700 gal FEFE 7 1/2% HCL over perfs 4881-94, break at 1780, good ball action. POH with tbg & packers, SION.
- 4/28/01 Tbg PSI 75 lbs, RIH with tbg, swabbed back acid 5 oil, 60 water, fair gas blow. SI for weekend.
- 4/30/01 Tbg PSI 80 lbs, RIH with rods and pump. SI to work on production equipment. Released pulling unit.
- 5/3/01 Put well on.
- 5/4/01 Initial Prod 22 Oil, 42 Water, 45 MCFPD. End of Report

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Blaise Campanella TITLE Pres. DATE 5-31-01

Type or print name Blaise Campanella Telephone No. 748-5488

(This space for State use)

ORIGINAL SIGNED BY TIM W. GUM

APPROVED BY Blaise Campanella DISTRICT II SUPERVISOR TITLE Blaise Campanella DATE JUN 19 2001

Conditions of approval, if any:



HCW EXPLORATION, INC.

P. O. Box 10585
Suite 200
601 N. Loraine Street
Midland, Texas 79702
(915) 683-3303

MWJ State #1
Eddy County, New Mexico

PD 11/1/81

APR 13 1982

Q. 1. 1.
ARTISAN, N. M.

Page -2-
C-103

Spud 17 1/2" surface hole on June 28, 1981. Drilled to TD 434' as of June 29, 1981. Ran 11 jts (448.67'), 13 3/8", 48#, H-40, ST&C casing set @ 434'. Cemented w/ 220 sx Class-C, 2% CaCl, 1 1/4# flocele, 5# D-42, plus 200 sx Class-C neat, 2% CaCl. Had good circ thruout job. PD @ 1:00 a.m. June 30, 1981. After WOC 12 hrs, NU wellhead & BOP's. Pressure tested casing and BOP's to 1000 psi, OK. Drilled out w/12 1/4" bit and on to TD 2721' as of July 5, 1981. Ran 16 jts (695.11'), 8 5/8", 32#, K-55, ST&C casing and 99 jts (2035.34'), 8 5/8", 24#, K-55, ST&C casing set @ 2721'. Cemented w/1500 sx Class-C, 35:65 Poz w/2/10# Kolite, 1/4# celloflake, 4% gel and 3% CaCl, plus 200 sx Class-C, 2% CaCl. Lacking 3 bbls of displaced fluid behind top plug, 8 5/8" casing parted in hole. Went in hole with replacement jt of 8 5/8" casing, screwed into stub @ 67'. Set casing on slips in wellhead. Ran temp. survey on wireline. Found top of cement @ 900' outside of casing and @ 1569' inside of 8 5/8" casing. During interval 7-5 thru 7-9-81 attempted to drill out inside 8 5/8" casing and resume drilling. Unable to get below 1960' depth with bit and tools. After consulting w/OCC personnel on July 10, 1981, spotted 75 sk cement plug thru OE DP from 1775-1450'. Pulled top 2 jts, 8 5/8" casing out of hole. Spotted 100 sx cement plug thru DP from 75" to surface. Hole abandoned as of 5:00 p.m. July 10, 1981. Prep to skid rig for re-drill 40' west.

Jones, William V., EMNRD

From: billy@pwllc.net
Sent: Monday, June 15, 2009 11:05 AM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; J. Scott Hall; Reeves, Jacqueta, EMNRD; Brooks, David K., EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County

Will, I have placed in the mail a new disposal application for the above well per Nearburg Producing Company request. The perforation intervals have been changed. Proof of Publication will be mailed to you as soon as received. A copy of the legal notice is enclosed in the new disposal application. Should you have further questions or need additional information, do not hesitate to call or email.

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

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

Subject: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
Date: Tue, May 26, 2009 9:08 am
To: <billy@pwllc.net>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>, "J. Scott Hall" <SHall@montand.com>, "Reeves, Jacqueta, EMNRD" <Jacqueta.Reeves@state.nm.us>, "Brooks, David K., EMNRD" <david.brooks@state.nm.us>, "Phillips, Dorothy, EMNRD" <dorothy.phillips@state.nm.us>

Hello Mr. Prichard:

After reviewing this application, we have the following questions:

Please address the issue of remaining oil and gas in the proposed injection interval. How has this been evaluated? Has the existing interval been stimulated or cleaned out to help it produce? What is the latest reservoir pressure/skin factor from a pressure buildup test? Do you have a log analysis on the prospective upper Delaware perforations or how do you propose to test these for productivity?

It was not clear whether this would be used to dispose of only Bone Spring and Delaware waters. If additional waters from other formations will be disposed in this well, please let us know the names and send a typical water analysis.

It is not clear whether this will be (i) a commercial disposal, (ii) used to take only waters from Judah's nearby operations, or (iii) a "lease-only" disposal. Please make that clear in the application.

Judah oil has 2 of 34 inactive wells, so that is OK. However, it has one well which needs a bond posted with Dorothy Phillips. Any proposed hearing for this matter will be continued until Judah is in compliance with Rule 5.9.

Please note, since Nearburg Producing Company (Scott Hall, Esq. w/ Montgomery & Andrews) has protested this application to inject into the Delaware, we can not issue a permit administratively.

Jones, William V., EMNRD

From: billy@pwllc.net
Sent: Wednesday, May 27, 2009 6:14 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County

Will. I have sent your email on to Judah Oil. The legal notice that was published and mailed to you clearly states commercial SWD application.. It was left out of the text of the C108 by accident. With a commercial salt water disposal well, we are unsure as to what waters will be generated until the well is open for business.

Thanks

Billy(Bill)E.Prichard
432-934-7680

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

Subject: Disposal Application on behalf of Judah Oil LLC: MWJ State #1Y 30-015-23888 Unit N Sec 30, T24S, R29E, Eddy County
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
Date: Tue, May 26, 2009 9:08 am
To: <billy@pwllc.net>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>, "J. Scott Hall" <SHall@montand.com>, "Reeves, Jacqueta, EMNRD" <Jacqueta.Reeves@state.nm.us>, "Brooks, David K., EMNRD" <david.brooks@state.nm.us>, "Phillips, Dorothy, EMNRD" <dorothy.phillips@state.nm.us>

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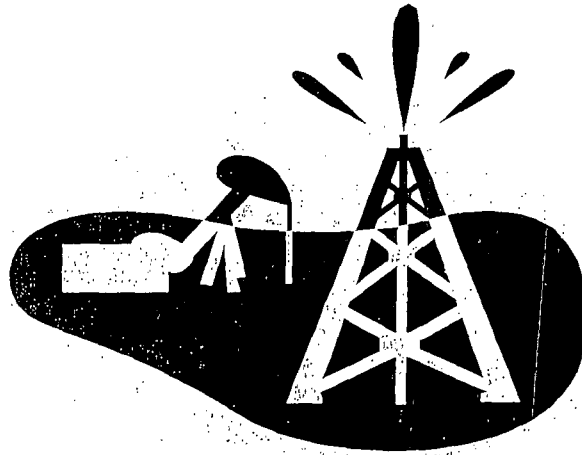
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Thank You,

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

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OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505) 476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO:

Bill E. Prichard / Blaise Campanella

FROM:

Will Jones

DATE:

6/8/09

PAGES:

C+2

SUBJECT:

Scott Bronson Protest

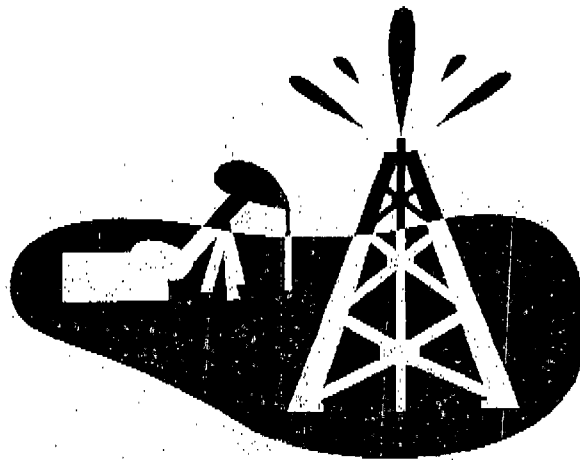
IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE
OFFICE NUMBER ABOVE.

TRANSMISSION VERIFICATION REPORT

TIME : 07/08/2009 10:24
NAME : OIL CONSERVATION DIS
FAX : 505-476-3462
TEL : 505-476-3440
SER.# : BROH8J847603

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)
RESULT
MODE

07/08 10:24
919406275449
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TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
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PLEASE DELIVER THIS FAX:

TO:

Bill E. Prichard / Blaine Campanella

FROM:

Will Jones

DATE:

6/8/09

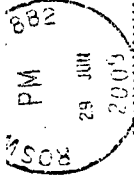
dba S.B. Oilfield Services



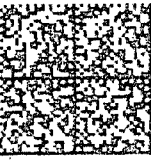
(S.B. Weed Control, LLC)

P.O. Box 1502

Carlsbad, NM 88221-1502



UNITED STATES POSTAGE



PITNEY BOWES

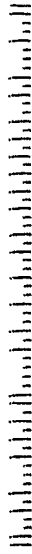
\$000.440

02 1P 0003327428 JUN 29 2005

MAILED FROM ZIP CODE 88220

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505 87505
Attn: Garry Swartz

8750534225 0011



SLD FAX
827-4262
JACK SWARTZ
P.O. BOX 1148

Injection Permit Checklist (7/8/08)

Case _____ R- _____ SWD _____ WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr _____

Wells 1 Well Name: MWJ State #1

API Num: (30-) 015-23888 Spud Date: 8/4/81 New/Old: 0 (UIC primacy March 7, 1982)

Footages 860 BCL/2020 FWL Unit N Sec 30 Twp 24S Rge 29E County Eddy

Operator: JUDAH OIL LLC

Contact: Billy P. Richard
Blaine Corporation

Operator ID: 175000 RULE 40 Compliance (Wells) 2/34 OK (Finan Assur) _____

Operator Address: P.O. Box 568, Arleson, NM 88211

Current Status of Well: made - sand plot

Planned Work to Well: Perf more 5' in

Planned Tubing Size/Depth: _____

		Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing	Surface	17 1/2 13 3/8	429	520	CIRC
Existing	Intermediate	12 1/4 8 5/8	2710	2700	CIRC
Existing	Long String	7 7/8 4 1/2	8,202	765/1300	1418 C.B.L.

DV Tool 4796 Liner _____ Open Hole _____ Total Depth CIBPC 5280

Well File Reviewed ☒

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: yes

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>2770</u>	<u>Top Del.</u>	<u>(3660 Top chery)</u>
Injection.....	<u>3002</u>	<u>Del chery C.</u>	<u>726</u>
Interval TOP:	<u>3002</u>		
Injection.....	<u>4975</u>	<u>Del & f</u>	
Interval BOTTOM:	<u>4975</u>		
Below (Name and Top)	<u>6495</u>	<u>B.S. TOP</u>	

(Within Creek, Del)
PSI Max. WHIP
NO Open Hole (Y/N)
NO Deviated Hole?

Sensitive Areas: Capitan Reef Cliff House Salt Depths 1185-2541

..... Potash Area (As 11-1-8) Noticed?

Fresh Water: Depths: 120-350 Wells (Y/N) ☒ Analysis Included (Y/N): ☒ Affirmative Statement ☒

Salt Water: Injection Water Types: Del / B.S. Analysis? _____

Injection Interval: Water Analysis: Del Hydrocarbon Potential Maybe

Notice: Newspaper (Y/N) ☒ Surface Owner SLO Mineral Owner(s) SLO

RULE 701B(2) Affected Parties: Namby buy off for B.S. well
Scott Brown / Northern BSM / Murch / Prunty / NGX / Bottom

Area of Review: Adequate Map (Y/N) _____ and Well List (Y/N) _____

Active Wells 1 Num Repairs 0 Producing in Injection Interval in AOR NO

..P&A Wells 0 Num Repairs — All Wellbore Diagrams Included? —

Questions to be Answered:

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

_____ Request Sent _____ Reply: _____

This well is 40' East of Prunty Well