

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruc@aol.com

RECEIVED OCD

2010 SEP 29 P 12:53

September 28, 2010

Case 14564

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed is copy of an application for a pressure maintenance project, together with a proposed advertisement. Please set this matter for the October 28, 2010 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Agua Sucia, LLC

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
2909 W. Second Street
Roswell, NM 88201-2019

OFFSET MINERALS LESSEES

CONOCOPHILLIPS. (Certified Mail)
P.O. Box 7500
Bartlesville, OK 74005

PENROCK OIL CORPORATION (Certified Mail)
P.O. Box 5970
Hobbs, NM 88241-5970

MCBRIDE OIL & GAS CORPORATION (Certified Mail)
P.O. Box 1515
Roswell, NM 88202-1515

OFFSET OPERATORS

SAHARA OPERATING COMPANY (Certified Mail)
P.O. Box 4130
Midland, TX 79704

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
1301 W. Grand Ave.
Arteisa, NM 88210

BUREAU OF LAND MANAGEMENT (FedEx'ed copy)
Carlsbad Office
620 E. Greene Street
Carlsbad, NM 88220

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF AGUA SUCIA, LLC FOR A
LEASE PRESSURE MAINTENANCE PROJECT
IN THE DELAWARE FORMATION, EDDY
COUNTY, NEW MEXICO.

RECEIVED OCD

2010 SEP 29 P 12:53

Case No. 14564

APPLICATION

Agua Sucia, LLC applies for approval of a lease pressure maintenance project in the Delaware formation, and in support thereof, states:

1. Applicant seeks approval to institute a lease pressure maintenance project in its Wilson Federal Lease (Federal Lease LC 064756) by the injection of produced water into the Delaware formation at the approximate depths of 4232-4250 feet subsurface in the R.T. Wilson Fed. Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 24, Township 26 South, Range 31 East, NMPM.

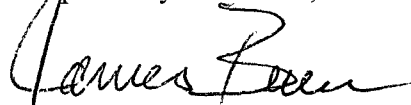
2. The Wilson Federal Lease covers all of Section 24.

3. A Form C-108 for the project is attached hereto as Exhibit A.

4. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,

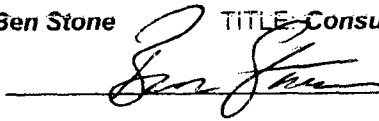


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Agua Sucia, LLC

APPLICATION FOR AUTHORIZATION TO INJECT

Case 14564

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **Agua Sucia, LLC**
ADDRESS: **14605 Memorial Drive, Bixby, OK 74008**
- CONTACT PARTY: **Agent: SOS Consulting, LLC - Ben Stone (903) 488-9850**
- III. WELL DATA: **All well data and applicable wellbore diagrams are attached hereto.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is attached** 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. **A tabulation is attached** of data on all wells of public record within the area of review which penetrate the proposed injection zone. **The data includes** 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. **The following data is attached** 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. **Appropriate geologic data on the injection zone is attached** 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. **No stimulation program is proposed at this time.**
- *X. **There is no applicable logging and test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted.**
- *XI. **There are no fresh water wells within one mile the proposed salt water disposal well.**
- XII. **An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed.**
- 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: **Ben Stone** TITLE: **Consultant, Agent for Agua Sucia, LLC**
- SIGNATURE:  DATE: **6/24/2010**
- E-MAIL ADDRESS: **Agent: SOS Consulting, LLC: info@sosconsulting.us**

* 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 Di:

EXHIBIT

A

III. WELL DATA — ***The following information and data is included:***

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE ***pursuant to the following criteria is attached.***

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

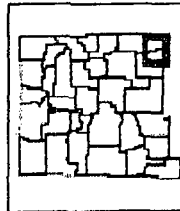
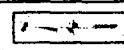
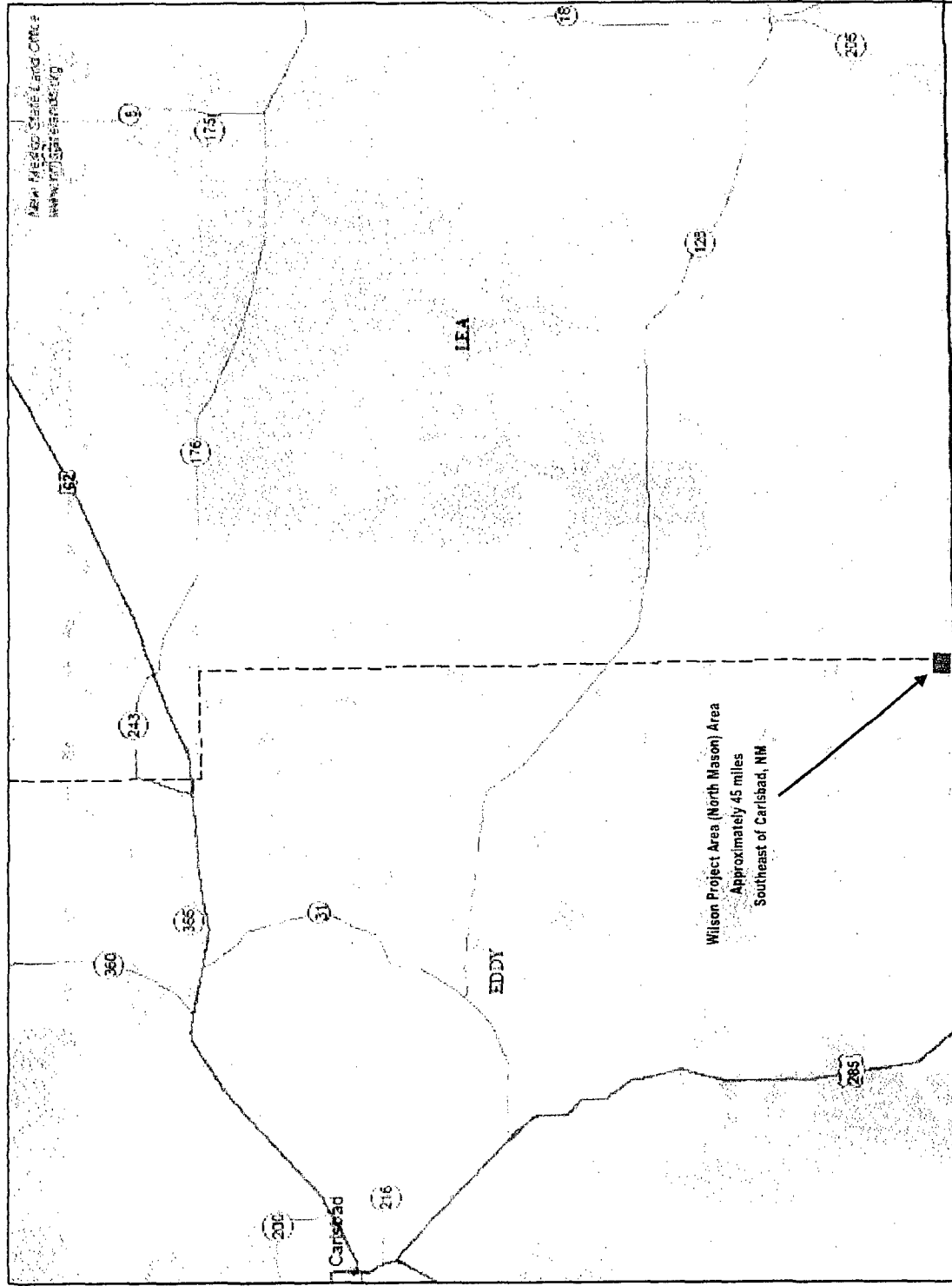
Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Form C-108 Attachment - Project Location Overview Map



The New Mexico State Land Office assumes no responsibility or liability for or in connection with the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

New Mexico State Land Office
Oil, Gas, and Minerals Land Lease Information Map

0 1 2 4 8 Miles

Universal Transverse Mercator Projection Zone 13
1983 North American Datum

Land Office Geographic Information Center
Logistics Data Center
Created On: 6/14/2010 4:29 PM

LEGEND

- County Seats
- SLO District Offices
- City, Town or Village
- Volcanic Vents
- Highway Mileposts
- NMOC Oil, Gas Wells
 - Carbon Dioxide
 - Gas
 - Injection
 - Miscellaneous
 - Oil
 - Salt Water Disposal
 - Water
 - DA or PA

Federal Subsurface Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands Ownership

- Surface Estate
- Subsurface Estate
- Both Estates

State Lease Types

- Commercial Leases
- Minerals Leases
- Oil and Gas Leases
- Agricultural Leases
- Oil Gas Leasing
- Influenced By Restriction
- Not Available for Oil Gas Leasing

GIS Map generated 6/14/2010 for
Agua Sucia, LLC by SOS Consulting, LLC.
Well spots and associated data provided
by OCD to State Land Office. Currency and
validity is per those agencies' policy and
protocol for data generation, migration
and sharing. Data limits set by OCD.

SOS Consulting, LLC

Agua Sucia, LLC

CURRENT WELL CONFIGURATION

Spud Date: 6/04/1956

GL Elevation: 3162'



SALADO

LITHOLOGY

TANSILL

APPROXIMATION

BELL CANYON

DELAWARE

R.T. Wilson Federal No.1

API No. 30-015-05864

Location: 1980' FSL & 660' FEL

Section 24, Twp 26, Rng 31E, NMPM

Latitude: 32.026470 Longitude: -103.725237

Eddy County, New Mexico

MASON, DELAWARE, NORTH (Pool No. 44859)

Federal Lease No. NMLC-064756

Formation: Salado (Anhydrite/Mix)

Surface: 8.625" 24.0# @ 985' (Borehole 10.25")

Cement: 1100 Sacks Class C from 985' to 0' (Circulated)

Formation: Tansill (Top ~1175' Dolomite/Anhydrite)

Production: 5.5" 14.0# @ 4232' (Borehole 7.875")

Cement: 300 Sacks Class C from 4232' to 2882' (Calc.)

Formation: Bell Canyon (Delaware Lime Top 4175')

Tubing: 2.375" Plastic Coated @ 4210'

Rods & Pump: @ ~4200'

Formation: Delaware (Delaware Sand Top 4205')

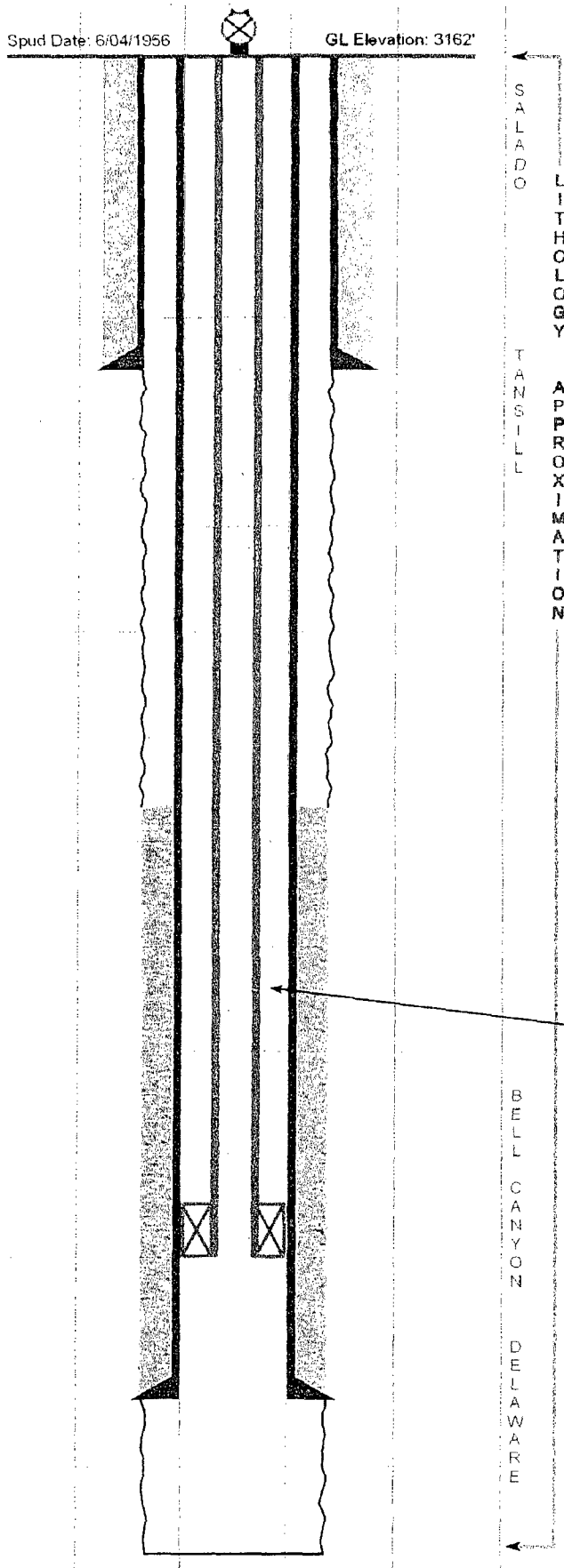
Openhole Interval: 4232'- 4250'

DTD: 4250'



SOS Consulting, LLC

PROPOSED WELL CONFIGURATION



R.T. Wilson Federal No.1

API No. 30-015-05864

Location: 1980' FSL & 660' FEL

Section 24, Twp 26, Rng 31E, NMPM

Latitude: 32.026470 Longitude: -103.725237

Eddy County, New Mexico

SWD: Delaware (Pool No.96100)

Federal Lease No.NMLC-064756

Formation: Salado (Anhydrite/Mix)

Surface: 8.625" 24.0# @ 985' (Borehole 10.25")

Cement: 1100 Sacks Class C from 985' to 0' (Circulated)

Formation: Tansill (Top ~1175' Dolomite/Anhydrite)

Production: 5.5" 14.0# @ 4232' (Borehole 7.875")

Cement: 300 Sacks Class C from 4232' to 2882' (Calc.)

Casing/Tubing Annulus loaded with Packer Fluid.

Formation: Bell Canyon (Delaware Lime Top 4175')

Tubing: 2.375" Plastic Coated @ 4170'

Packer: 5 5" PKR @ ~4175'

Formation: Delaware (Delaware Sand Top 4205')

Openhole Interval: 4232'- 4250'

DTD: 4250'

C-108 Item VI - List of Wells in AOR - Construction Data

API	Well Name	Well No.	Surf	Depth	Cement	Top Cmt	Int	Depth	Cement	Top Cmt	Prod	Depth	Cement	Top Cmt	Well Depth
Subject Well in 24-26S-31E															
30-015-05864	RT WILSON FEDERAL	#001	8.625	985	1100	Circ.					5.5	4232	300	2882 Calc.	4232 ✓
3 Wells in 24-26S-31E															
30-015-05866	RT WILSON FEDERAL	#003	8.625	982	600	Circ.					5.5	4272	350	2722 Calc.	4272 ✓
30-015-05867	RT WILSON FEDERAL	#004	8.625	977	600	Circ.					5.5	4221	350	2671 Calc.	4221 ✓
30-015-05865	RT WILSON FEDERAL	#002	8.625	929	600	Circ.					5.5	6439	350	2690 Calc.	4251 ✓
4 Wells to East in 19-26S-32E															
API	Well Name	Well No.	Surf	Depth	Cement	Top Cmt	Int	Depth	Cement	Top Cmt	Prod	Depth	Cement	Top Cmt	
30-025-08267	THOMPSON 19 FEDERAL	#003	8.625	1039	350	Circ.					5.5	4319	100	3869 Calc.	4336 ✓
30-025-29877	CONOCO FEDERAL	#002	8.625	1274	650	Circ.					5.5	4313	800	713 Calc.	4306 ✓
30-025-08261	RUSSELL 19 FEDERAL	#001	10.75	1004	555	Circ.					7	4282	200	3482	4282 ✓
30-025-08263	RUSSELL 19 FEDERAL	#003	8.625	1074	350	Circ.					5.5	4253	250	3128	4253 ✓
1 Well to South in 30-26S-32E															
API	Well Name	Well No.	Surf	Depth	Cement	Top Cmt	Int	Depth	Cement	Top Cmt	Prod	Depth	Cement	Top Cmt	
30-025-24623	RUSSELL 30 FEDERAL	#002	8.625	408	300	Circ.					5.5	4350	295	3023	4350 ✓
2 Wells to South in 25-26S-31E															
API	Well Name	Well No.	Surf	Depth	Cement	Top Cmt	Int	Depth	Cement	Top Cmt	Prod	Depth	Cement	Top Cmt	
30-015-05879	HANSON	#012	SEE PLUGGING DIAGRAMS				P&A ✓								
30-015-05880	HANSON	#013					P&A ✓								

C-108 Item VI - List of Wells in AOR

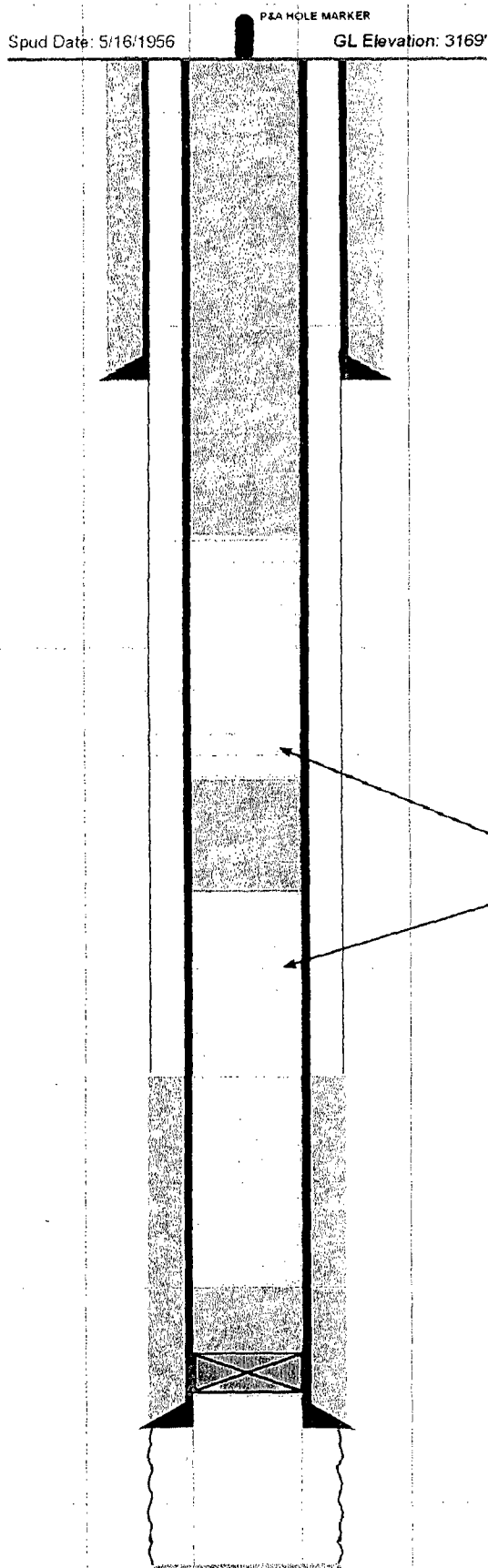
API	Well Name	Well No.	Type	Lease	Status	UL	Sec	Twp	Rng	Last P/I	Current Operator
Subject Well in 24-26S-31E											
30-015-05864	R T WILSON FEDERAL	#001	Oil	Federal	Active	I	24	26S	31E	Mar-10	[265779] AGUA SUCIA LLC
3 Wells in 24-26S-31E											
30-015-05866	R T WILSON FEDERAL	#003	Oil	Federal	Active	H	24	26S	31E	Mar-10	[265779] AGUA SUCIA LLC
30-015-05867	R T WILSON FEDERAL	#004	Oil	Federal	Active	O	24	26S	31E	Mar-10	[265779] AGUA SUCIA LLC
30-015-05865	R T WILSON FEDERAL	#002	Oil	Federal	Active	P	24	26S	31E	Mar-10	[265779] AGUA SUCIA LLC
4 Wells to East in 19-26S-32E											
API	Well Name	Well No.	Type	Lease	Status	UL	Sec	Twp	Rng	Spud Date	Current Operator
30-025-08267	THOMPSON 19 FEDERAL	#003	Oil	Federal	Active	1	19	26S	32E	Feb-10	[20077] SAHARA OPERATING CO
30-025-29877	CONOCO FEDERAL	#002	Oil	Federal	Active	J	19	26S	32E	Feb-10	[20077] SAHARA OPERATING CO
30-025-08261	RUSSELL 19 FEDERAL	#001	Oil	Federal	Active	3	19	26S	32E	Feb-10	[20077] SAHARA OPERATING CO
30-025-08263	RUSSELL 19 FEDERAL	#003	Oil	Federal	Active	4	19	26S	32E	Feb-10	[20077] SAHARA OPERATING CO
1 Well to South in 30-26S-32E											
API	Well Name	Well No.	Type	Lease	Status	UL	Sec	Twp	Rng	Spud Date	Current Operator
30-025-24623	RUSSELL 30 FEDERAL	#002	Oil	Federal	Active	1	30	26S	32E	Feb-10	[20077] SAHARA OPERATING CO
2 Wells to South in 25-26S-31E											
API	Well Name	Well No.	Type	Lease	Status	UL	Sec	Twp	Rng	Spud Date	Current Operator
30-015-05879	HANSON	#012	Oil	Federal	P&A	A	25	26S	31E		PRE-ONGARD OPERATOR
30-015-05880	HANSON	#013	Oil	Federal	P&A	B	25	26S	31E		PRE-ONGARD OPERATOR



Pre-ONGARD Operator

CURRENT WELL CONFIGURATION

Plugged and Abandoned 5/26/2004



Hanson No. 12

API No. 30-015-05879

Location: 330' FNL & 330' FWL

Section 25, Twp 26S, Rng 31E, NMPM

Latitude: 32.020128 Longitude: -103.724148

Eddy County, New Mexico

Cement Plug: 250 sx 2375' - 0'

Surface: 8.625" 28# @ 845' (Borehole 11")

Cement: 340 Sacks Class C from 845' to 0' (Circulated)

Formation: Anhydrite (Top 1144')

Formation: Queen (Top 2250')

Cement Plug: 25 sx 2900' - 2665'

Gel Between Plugs

Cement Plug: 10 sx 4200' - 4105'

CIBP @ 4200'

Production: 5.5" 14.0# / 15.5# @ 4250' (Borehole 7.875")

Cement: 125 Sacks Class C from 4250' to 3688' (by OCD File)

TD: 4258'

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. HANSON 12
2. Name of Operator HANSON OPERATING COMPANY INC		9. API Well No. 30-015-05879-00-S1
3a. Address P O BOX 1515 ROSWELL, NM 88201		10. Field and Pool, or Exploratory N MASON
3b. Phone No. (include area code) Ph: 505.622.7330 Ext: 26 Fx: 505.622.7731		11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T26S R31E NENE 330FNL 330FEL		

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SEP 13 2004

OOD-ARTESIA

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

05/20/2004: MIRU. POH with rods and pump.
05/21/2004: Unflange wellhead. POH with tubing. TIH with bit, DC and scraper to 4227'.
05/22/2004: TIH and set CIBP at 4200'.
05/25/2004: Perf 2 holes at 2880' and 2 holes at 920'. Set 10 sacks Class "C" Neat cement on top of CIBP. Circulate with brine gel. Hole in 5 1/2" and 8 5/8" casing.
05/26/2004: TIH and set packer at 2872'. Unable to squeeze perms. Set plug with 25 sacks Class "C" Neat cement. Pull up to 950'. Unable to circulate to surface. Release packer. Circulate brine gel. Set plug with 250 sacks Class "C" Neat cement in 5 1/2" casing and 8 5/8" casing to surface. Circulate 3 sacks cement to pit. Well plugged and abandoned at 3:00 PM on 05/26/2004.

Approved as to plugging of the well bore.
Liability under bond is retained until
surface restoration is completed

14. I hereby certify that the foregoing is true and correct. Electronic Submission #35841 verified by the BLM Well Information System For HANSON OPERATING COMPANY INC, sent to the Carlsbad Committee to AFMSS for processing by ARMANDO LOPEZ on 09/09/2004 (04LA0275SE)	
Name (Printed/Typed) CAROL J. SMITH	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 09/08/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ALEXIS OSWOBODA	Title PETROLEUM ENGINEER	Date 09/09/2004
-----------------------------	--------------------------	-----------------

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Pre-ONGARD Operator

CURRENT WELL CONFIGURATION

Plugged and Abandoned 6/01/2004

Spud Date: 6/08/1956

P&A HOLE MARKER

GL Elevation: 3169'

Hanson No. 13

API No. 30-015-05880

Location: 330' FNL & 1650' FWL

Section 25, Twp 26S, Rng 31E, NMPM

Latitude: 32.020095 Longitude: -103.728428

Eddy County, New Mexico

Cement Plug: 320 sx 1020' - 0'

Surface: 8.625" 28# @ 948' (Borehole 11")

Cement: 340 Sacks Class C from 948' to 0' (Circulated)

Formation: Anhydrite (Top 1144')

Formation: Queen (Top 2250')

Cement Plug: 25 sx 2868' - 2630'

Gel Between Plugs

Cement Plug: 25 sx 4200' - 3960'

CIBP @ 4170'

Production: 5.5" 14.0# / 15.5# @ 4220' (Borehole 7.875")

Cement: 125 Sacks Class C from 4220' to 3858' (by OCD File)

TD: 4208'

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other Instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator HANSON OPERATING COMPANY INC		8. Well Name and No. HANSON 13
3a. Address P O BOX 1515 ROSWELL, NM 88201		9. API Well No. 30-015-05880-00-S1
3b. Phone No. (include area code) Ph: 505.622.7330 Ext: 26 Fx: 505.622.7731		10. Field and Pool, or Exploratory N MASON
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T26S R31E NWNE 330FNL 1650FEL		11. County or Parish, and State EDDY COUNTY, NM

RECEIVED

SEP 13 2004

OCD-ARTESIA

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe proposed or completed operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

05/07/2004: MIRU. POH with rods and pump. Unflange wellhead. POH with tubing. Rig down.

05/14/2004: POH with tubing.

05/15/2004: Rig down.

05/19/2004: TIH with bit, DC, scraper and tubing to 4200'.

05/20/2004: TIH and set CIBP at 4170'. RDMO.

05/26/2004: MIRU.

06/01/2004: Circulate brine gel. Set 25 sacks Class "C" Neat cement on top of CIBP at 4170'. Set plug with 25 sacks Class "C" Neat cement at 2886'. Pull up to top perms. Unable to circulate to surface. Set plug with 320 sacks Class "C" Neat cement in 5 1/2" casing and 8 5/8" casing from 1020' to surface. Circulate 4 sacks cement to pit. Well plugged and abandoned at 3:30 PM on 06/01/2004.

Approved as to plugging of the well bore.
Liability under bond is retained until
surface restoration is completed.

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #35842 verified by the BLM Well Information System For HANSON OPERATING COMPANY INC, sent to the Carlsbad Committed to AFMSS for processing by ARMANDO LOPEZ on 09/09/2004 (04LA0276SE)	
Name (Printed/Typed) CAROL J. SMITH	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 09/08/2004
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By ALEXIS C SWOBODA	Title PETROLEUM ENGINEER
Date 09/09/2004	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	
Office Carlsbad	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Form C-108 - Item VII

1. Approximately 200 - 300 BWPD
2. System is closed.
3. Injection pressure 846 psi maximum
4. Source water is reinjected produced water from the R.T. Wilson offset wells.
5. Not applicable

Item VIII

Disposal is into the Delaware sand from 4232' to 4250. The Delaware sand interval consists of fine to very fine grained, well-sorted, subrounded to subangular grains with the sandstone commonly averaging 18% porosity or more. It is overlain by Delaware (Bell Canyon) limestone and anhydrite.

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

A handwritten signature in black ink, appearing to read "Ben Stone", is written over a horizontal line.

Ben Stone, Partner
SOS Consulting, LLC

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
2909 W. Second Street
Roswell, NM 88201-2019

OFFSET MINERALS LESSEES

CONOCOPHILLIPS. (Certified Mail)
P.O. Box 7500
Bartlesville, OK 74005

PENROCK OIL CORPORATION (Certified Mail)
P.O. Box 5970
Hobbs, NM 88241-5970

MCBRIDE OIL & GAS CORPORATION (Certified Mail)
P.O. Box 1515
Roswell, NM 88202-1515

OFFSET OPERATORS

SAHARA OPERATING COMPANY (Certified Mail)
P.O. Box 4130
Midland, TX 79704

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
1301 W. Grand Ave.
Arteisa, NM 88210

BUREAU OF LAND MANAGEMENT (FedEx'ed copy)
Carlsbad Office
620 E. Greene Street
Carlsbad, NM 88220

PROPOSED ADVERTISEMENT

Case No. 14564 :

Application of Agua Sucia, LLC for a lease pressure maintenance project in the Delaware formation, Eddy County, New Mexico. Applicant seeks approval to institute a lease pressure maintenance project in its Wilson Federal Lease (Federal Lease LC 064756) by the injection of produced water into the Delaware formation at the approximate depths of 4232-4250 feet subsurface in the R.T. Wilson Fed. Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 24, Township 26 South, Range 31 East, NMPM. The Wilson Federal Lease covers all of Section 24, and is centered approximately 23-1/2 miles southeast of Harroun, New Mexico.

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Inactive Well List

Total Well Count: 20 Inactive Well Count: 10 Since: 7/6/2009

Printed On: Wednesday, September 29 2010

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-23708	GOVERNMENT E #001	N-25-19S-34E	N	265779	AGUA SUCIA LLC	F	S	01/2008	BONE SPRING SWD559		
2	30-015-02450	SALADAR UNIT #002	L-33-20S-28E		265779	AGUA SUCIA LLC	P	I	12/2007			
2	30-015-02447	SALADAR UNIT #003	F-33-20S-28E	F	265779	AGUA SUCIA LLC	F	O	01/2009			
2	30-015-02446	SALADAR UNIT #004	K-33-20S-28E	K	265779	AGUA SUCIA LLC	F	I	12/2007			
2	30-015-02448	SALADAR UNIT #006	K-33-20S-28E	K	265779	AGUA SUCIA LLC	F	I	12/2007			
2	30-015-10468	SALADAR UNIT #007	N-33-20S-28E	N	265779	AGUA SUCIA LLC	F	I	11/2006			
2	30-015-02449	SALADAR UNIT #008	N-33-20S-28E	N	265779	AGUA SUCIA LLC	F	I	12/2007			
2	30-015-24178	SALADAR UNIT #011	L-33-20S-28E	L	265779	AGUA SUCIA LLC	P	O	02/2009	INT TO WORKOVER 09/21/10		
2	30-015-24179	SALADAR UNIT #012	K-33-20S-28E		265779	AGUA SUCIA LLC	F	I	12/2007			
2	30-015-24181	SALADAR UNIT #014	N-33-20S-28E	N	265779	AGUA SUCIA LLC	F	O	03/2009			

WHERE Ogrid:265779, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Inactive Well Additional Financial Assurance Report

265779 AGUA SUCIA LLC

Total Well Count: 20

Printed On: Wednesday, September 29 2010

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Bond In Place	In Violation
307110	E D WHITE FEDERAL NCT-1 #001	F	P-26-26S-31E	P	30-015-05884	O	07/2010		4139			0	
307111	EDDY AGA STATE #001	S	D-36-26S-31E		30-015-05896	O	07/2010	08/01/2012	4124	9124		0	
	EDDY AGA STATE #003	S	4-36-26S-31E	E	30-015-05897	O	07/2010	08/01/2012	4115	9115		0	
306667	GOVERNMENT E #001	F	N-25-19S-34E	N	30-025-23708	S	01/2008		10300			0	
307112	R T WILSON FEDERAL #001	F	I-24-26S-31E	I	30-015-05864	O	07/2010		4252			0	
	R T WILSON FEDERAL #002	F	P-24-26S-31E	P	30-015-05865	O	07/2010		4251			0	
	R T WILSON FEDERAL #003	F	H-24-26S-31E	H	30-015-05866	O	07/2010		4230			0	
	R T WILSON FEDERAL #004	F	O-24-26S-31E	O	30-015-05867	O	07/2010		4236			0	
307921	SALADAR UNIT #001	P	L-33-20S-28E	L	30-015-02451	O			732			0	
	SALADAR UNIT #002	P	L-33-20S-28E		30-015-02450	I	12/2007	01/01/2010	690	5690	Y	5690	
	SALADAR UNIT #003	F	F-33-20S-28E	F	30-015-02447	O	01/2009		Unknown			0	
	SALADAR UNIT #004	F	K-33-20S-28E	K	30-015-02446	I	12/2007		Unknown			0	
	SALADAR UNIT #005	F	K-33-20S-28E	K	30-015-02444	O	07/2009		Unknown			0	
	SALADAR UNIT #006	F	K-33-20S-28E	K	30-015-02448	I	12/2007		Unknown			0	
	SALADAR UNIT #007	F	N-33-20S-28E	N	30-015-10468	I	11/2006		Unknown			0	
	SALADAR UNIT #008	F	N-33-20S-28E	N	30-015-02449	I	12/2007		Unknown			0	
	SALADAR UNIT #011	P	L-33-20S-28E	L	30-015-24178	O	02/2009	03/01/2011	707	5707		0	
	SALADAR UNIT #012	F	K-33-20S-28E		30-015-24179	I	12/2007		711			0	
	SALADAR UNIT #013	F	N-33-20S-28E	N	30-015-24180	O	07/2009		Unknown			0	
	SALADAR UNIT #014	F	N-33-20S-28E	N	30-015-24181	O	03/2009		Unknown			0	

WHERE Ogrid:265779