



OCD-ARTESIA

Form 3160-5  
(June 1990)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFEB 21 2008  
OCD-ARTESIAFORM APPROVED  
Budget Bureau No 1004-0135  
Expires March 31, 19935. Lease Designation and Serial No  
LC-070341

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No

Poker Lake #65

9. API Well No

30-015-24886

10. Field and Pool, or Exploratory Area

Corral Canyon (Delaware)

11. County or Parish, State

Eddy County, N.M.

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

## SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

J. RAY STEWART

3. Address and Telephone No

P.O. Box 451, Midland, Tx. 79702 (432) 687-1086

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL &amp; 660' FEL, Section 19, T-25-S, R-30-E,

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

## TYPE OF SUBMISSION

- ☐
- Notice of Intent
- 
- ☒
- Subsequent Report
- 
- ☐
- Final Abandonment Notice

## TYPE OF ACTION

- ☐
- Abandonment
- 
- ☐
- Recompletion
- 
- ☐
- Plugging Back
- 
- ☐
- Casing Repair
- 
- ☐
- Altering Casing
- 
- ☐
- Other \_\_\_\_\_
- 
- ☐
- Change of Plans
- 
- ☐
- New Construction
- 
- ☐
- Non-Routine Fracturing
- 
- ☐
- Water Shut-Off
- 
- ☐
- Conversion to Injection
- 
- ☒
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

J. Ray Stewart requests approval to dispose of the produced water from the Poker Lake No. 65 into the Poker Lake State #1 SWD Well. See the attached information.

Accepted for record  
NMOC

14. I hereby certify that the foregoing is true and correct

Signed

Title Owner/Operator

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Conditions of approval, if any:

Title \_\_\_\_\_

APPROVED

Date 2/19/08

Date FEB 19 2008

WESLEY M. INGRAM  
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes 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.

\*See instruction on Reverse Side

## WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on the lease. Upper Bell Canyon (Delaware)  
Poker Lake No. 65 - NE/4 NE/4 Section 19, T-25-S, R-30-E  
Ramsey Sand 3,646' to 3,658' Producing Zone - Verticle Depth
2. Amount of water produced from all formations in barrels per day. \_\_\_\_\_  
Averages between 12 and 17 Barrels of Water Per Day
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. (One sample will suffice if water is commingled.) Not Available At This Time.
4. How water is stored on lease. Fiberglass Tank
5. How water is moved to the disposal facility. Through 2"+ Poly Line
6. Identify the Disposal Facility by:
  - A. Facility Operators name. J. Ray Stewart
  - B. Name of facility or well name and number. Poker Lake State #1 SWD-195
  - C. Type of facility or well (WDW) (WIW) etc. WDW
  - D. Location by  $\frac{1}{4}$   $\frac{1}{4}$  SW/4 SW/4 Section 8 Township 25S Range 30E
7. Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, **620 EAST GREENE ST, CARLSBAD NM, 88220**, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.) If you need further direction on this matter, feel free to call Robert E. Hoskinson Sr @ (575)-234-5966 (office) or (575)-361-0106 (Cell).

*Extra Copy*

## NEW MEXICO STATE LAND OFFICE

### SALT WATER DISPOSAL EASEMENT

SALT WATER DISPOSAL  
EASEMENT NO. SWD-195

THIS AGREEMENT, dated this 26th day of October, 1998, made and entered into between the State of New Mexico, acting by and through the undersigned, its Commissioner of Public Lands, hereinafter called the grantor, and J. Ray Stewart, of P.O. Box 451, Midland, Texas 79702, hereinafter called the grantee,

#### WITNESSETH:

That, whereas, the said grantee has filed in the Land Office an application for salt water disposal easement and has tendered the sum of \$500.00, together with the sum of \$30.00 application fee;

NOW, THEREFORE, in consideration of the foregoing tender, receipt of which is acknowledged, and the covenants herein, grantor does grant to the grantee a salt water disposal easement for the sole and only purpose of underground disposal of salt water produced in connection with oil and gas operations, together with the right to make such reasonable use of the land as may be necessary to dispose of said salt water. Said easement shall cover the following described lands:

INSTITUTION	SECTION	TOWNSHIP	RANGE	SUBDIVISION	ACRES
C.S.	08	25S	30E	Portion Within SW $\frac{1}{4}$ SW $\frac{1}{4}$	2.50

TO HAVE AND TO HOLD said lands and privileges hereunder for a term of Two years from the date first above written, subject to all terms and conditions hereinafter set forth:

1. Grantee shall pay the grantor the sum of \$500.00 annually, in advance.
2. With the consent of the grantor and payment of a fee of \$30.00, the grantee may surrender or relinquish this salt water disposal easement to the grantor; provided, however, that this surrender clause shall become absolutely inoperative immediately and concurrently with the filing of any suit in any court or law or equity by the grantor or grantee or any assignee to enforce any of the terms of this salt water disposal easement.
3. The grantee, with the prior written consent of the grantor, may assign his salt water disposal easement in whole only. Upon approval of the assignment, in writing, by the grantor, the grantee shall stand relieved from all obligations to the grantor with respect to the lands embraced in the assignment, and the grantor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the grantor as to such tracts.
4. The grantor may cancel this salt water disposal easement for non-payment of annual consideration or for violation of any of the terms and covenants hereof; provided, however, that before any such cancellation shall be made, the grantor must mail to the grantee or assignee, by registered mail, addressed to the post office address of such grantee or assignee, shown by the records, a thirty-day notice of intention to cancel said salt water disposal easement, specifying the default for which the salt water disposal easement is subject to cancellation. No proof of receipt of notice shall be necessary and thirty days after such mailing, the grantor may enter cancellation unless the grantee shall have sooner remedied the default.

5. The grantee shall furnish copies of records and such reports and plats of his operations, including any and all data relating to geological formations as the grantor may reasonably deem necessary to his administration of the lands.

6. Grantee may make or place such improvements and equipment upon the land as may reasonably be necessary to dispose of salt water, and upon termination of this salt water disposal easement for any reason, grantee may remove such improvements and equipment as can be removed without material injury to the premises; provided, however, that all sums due the grantor have been paid and that such removal is accomplished within one year of the termination date or before such earlier date as the grantor may set upon thirty days written notice to the grantee. All improvements and equipment remaining upon the premises after the removal date, as set in accordance with this paragraph, shall be forfeited to the grantor without compensation. All pipelines constructed hereunder shall be buried below plow depth.

7. This salt water disposal easement is made subject to all the provisions and requirements applicable thereto which are to be found in various acts of the legislature of New Mexico and the rules of the Commissioner of Public Lands of the State of New Mexico, the same as though they were fully set forth herein, and said laws and rules, so far as applicable to this salt water disposal easement, are to be taken as a part hereof.

8. All the obligations, covenants, agreements, rights and privileges of this salt water disposal easement shall extend to and be binding and inure to the benefit of the lawful and recognized assigns or successors in interest of the parties hereto.

9. Grantee shall post with grantor a bond or undertaking in an amount required by grantor in favor of the owner of improvements lawfully located upon the lands herein to secure payment of damage, if any, done to such improvements by reason of grantee's operations.

10. Payment of all sums due hereunder shall be made at the office of the Commissioner of Public Lands, 310 Old Santa Fe Trail, P. O. Box 1148, Santa Fe, New Mexico 87504-1148.

11. Grantee, including his heirs, assigns, agents, and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, and ecology. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the grantor as herein provided or as otherwise permitted by law.

12. Grantee shall save and hold harmless, indemnify and defend the State of New Mexico, the Commissioner of Public Lands, and his agent or agents, in their official and individual capacities, of and from any and all liability claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the operations of grantee hereunder, off or on the herein above described lands, or the presence on said lands of any agent, contractor or sub-contractor of grantee.

AFFIRMATION OF GEOLOGIC, ENGINEERING & HYDROLOGIC INVESTIGATION: I hereby affirm that the available geologic and engineering data have been examined and no evidence has been found of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.