

Jones, William V., EMNRD

Sup 2-507A

From: Jones, William V., EMNRD
Sent: Tuesday, March 27, 2007 7:48 AM
To: Bill E. Prichard
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Williams, Chris, EMNRD; Sanchez, Daniel J., EMNRD
Subject: SWD Application: Matador 5 Federal #1 API No. 30-025-31056 Lower Yates Commercial injection Well

Hello Mr. Prichard:

After reviewing your application on behalf of Judah Oil, the Division has decided this cannot be processed administratively and is denying this application.

An examination of the elog in this well shows the interval in the "Lower Yates" intended for commercial injection seems to be indistinguishable from the Capitan Reef - all one massive carbonate. Our Capitan Reef outline map indicates this well is in the middle of the Reef area and the Yates in this area has lower water salinity than the 10,000 ppm TDS cutoff requiring protection under New Mexico's injection rules and the EPA's UIC program.

Your application indicated that the formation below the Yates is the Delaware but the Delaware top and other formation tops were not included in the application. Your application states that a Yates water sample was not available and did not mention the Capitan Reef.

The Division has a study currently being conducted to identify other injection wells already permitted in or near the Reef and to identify fresh areas of the Reef. The Division is carefully examining all wells proposed for injection in order to protect waters that could someday be cleaned up for use as sources of drinking water. The Capitan Reef and the Cliff House formations of New Mexico are focus areas in this regard.

Your application was otherwise judged to be complete with the possible addition of the following items:

- 1) Notice to Cimarex not included.
- 2) the well would need a CBL on the 8-5/8 inch casing to identify the Cement Top below the DV Tool. Mark Fesmire has instructed that all open areas without cement in AOR wells or injection wells would require the application to be processed after notice and examiner hearing.
- 3) A shallower CIBP would be required within 200 feet of the intended injection interval.
- 4) You did not include Judah Oil's Rule 40 status.

As you know, your client has the option of presenting a case for disposal in this well before an examiner.

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

Near Capitan Reef
Denied

3/27/2007

Injection Permit Checklist 2/8/07

SWD Order Number _____ Dates: Division Approved _____ District Approved _____

Well Name/Num: MATADOR 5 FEDERAL #1 Date Spudded: 12/22/1990

API Num: (30-) 025-31056 County: Lea 66KD175260

Footages 1980 FSL/710 FWL Sec 5 Tsp 20S Rge 34E or Bla Pritchard

Operator Name: Jones B. Campanella aka JUDAH OIL CO., INC. Contact BLAISE CAMPANELLA

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

Current Status of Well: PEN (1997) Planned Work: RE-ENTER (6 P&A SYSTEM) Inj. Tubing Size: 3 1/2" @ 3680'

	Hole/Pipe Sizes		Depths	Cement	Top/Method
Surface	17 1/2	13 3/8	433'	395	Surf. + Pa Gravel
Intermediate	12 1/4	8 5/8	5158'	600 # 2450	Surf. PVC @ 3578'
Production	7 1/8	5 1/2	10,392'	760	6250 CBL
Last DV Tool					Pulled From 5219'
Open Hole/Liner					
Plug Back Depth			TD = 13660'	PBTD = 5070' FT.	

Diagrams Included (Y/N): Before Conversion ✓ After Conversion ✓

Checks (Y/N): Well File Reviewed ✓ ELogs in Imaging ✓ for only 2 logs but ok.

Intervals:	Depths	Formation	Producing (Yes/No)
<u>Salt Potash</u>	<u>178 (TOP)</u>	<u>3125 (BOT)</u>	
<u>Capitan Reef</u>	<u>Yol & Yol</u>	<u>is Fresh There!</u>	
<u>Cliff House, Etc.</u>			
Formation Above	<u>3530'</u>	<u>Tanill</u>	
Top Inj Interval	<u>3730</u>	<u>Yol</u>	
Bottom Inj Interval	<u>4300</u>	<u>Lower Yol</u>	
Formation Below		<u>De la Cruz</u>	

→ CMT DID NOT CIRC
on Bottom Stage
(1600 PSI)
400 SX Halliburton + 200 H
(4530 FE)
746 PSI Max. WHIP
NO Open Hole (Y/N)
NO Deviated Hole (Y/N)

Fresh Water: Depths: 0-350 Wells(Y/N) NO Analysis Included (Y/N): NO Affirmative Statement ✓

Salt Water Analysis: Injection Zone (Y/N/NA) NO DisPWaters (Y/N/NA) _____ Types: Numerous! Commercial

Notice: Newspaper (Y/N) ✓ Surface Owner BLM Mineral Owner(s) BLM

Other Affected Parties: Landowners: Reed Stevens, Cimarron, Legacy farms, Ron Smith

AOR/Repairs: NumActiveWells 0 Repairs? _____ Producing in Injection Interval in AOR _____

AOR Num of P&A Wells 0 Repairs? _____ Diagrams Included? _____ RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) ✓ AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) _____

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed _____

Conditions of Approval: 8 5/8" Sec _____ Tsp _____ Rge _____ Data Request Sent _____

See CIBP 8 5/8" @ 4500', Run CBL on 8 5/8" casing!!

Cimarron NOTICE = ?

14220 - 5320' = what? LOOKS LIKE BIG Carbonate!

AOR Required Work: _____

Required Work to this Well: _____

James B. Campanella dba Judah Oil Company, Inc
PO Box 568
Artesia, NM 88211

RECEIVED

MAR 20 2007

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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Attention; William V. Jones

RE: Salt Water Disposal Application

Mr. Jones,
Please find enclosed form C108 (Application for Authorization to Inject) for the Matador 5 Federal # 1, API # 30-025-31056 located 1980 FSL X 710 FWL, UL "L", Section 5, T20S, R34E, Lea County, New Mexico. BLM form 3160-3 application to re-enter the above plugged and abandoned well bore will be filed after NMOCD approval of C108. A copy of this application has been sent to the District 1 office in Hobbs, New Mexico.

If you have questions or concerns do not hesitate to call or e-mail.

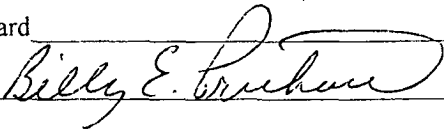
Should you have questions or concerns you can contact Blaise Campanella at 505-746-5488.

Sincerely,



Billy (Bill) E. Prichard
Email: shabillron01@warpdriveonline.com
Agent for Judah Oil Company, Inc
505-390-9100 cellular
432-955-0680 office/fax

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance ☒ Disposal _____ Storage
Application qualifies for administrative approval? ☒ Yes _____ No
- II. OPERATOR: James B. Campanella dba Judah Oil Company, Inc
ADDRESS: PO Box 568 Artesia, NM 88211
CONTACT PARTY: Blaise Campanella PHONE: 505-748-5488
- 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 E. Prichard TITLE: Agent
SIGNATURE:  DATE: 2/28/07
E-MAIL ADDRESS: shabillron01@warpdiveonline.com
- * 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: _____

**C108 (Application for Authorization to Inject)
James B.Campanella dba Judah Oil Company
Matador 5 Federal # 001
API 30-025-31056
1980 FSL X 710 FWL
Section 5, T20S, R34E
Lea County, New Mexico**

- I. The purpose of this application is to re-enter the Matador 5 Federal # 1 plugged and abandoned by Marathon Oil Company in 1997 for the purpose of commercial salt water disposal well in to the Lower Yates formation through perforations 3730-4300ft**
- II. James B. Campanella dba Judah Oil Company Ogrid # 175260
PO Box 568
Artesia, New Mexico 88211
James B. Campanella 505-748-5488**
- III. Well Data: See Attachment A**
- IV. This is not an expansion of an existing project**
- V. See attached map: Attachment B**
- VI. There are no wells identified in the 0.5 mile area of review**
- VII. 1. Proposed average daily injection volumes estimated at 3000 BWPD
Maximum daily injection volume approximately 4000 BWPD**
 - 2. This will be an open system**
 - 3. Proposed average injection pressure 300psig
Maximum injection pressure 746psig**
 - 4. Sources of disposed water would be produced water from numerous producing areas in southeastern New Mexico. Please see water analysis of various producing areas. Attachment C**
 - 5. No analysis of Yates formation water was available**
- VIII. Please see attachment D**

C-108 (Application for Authorization to Inject)

Matador 5 Federal # 1

API # 30-025-31056

1980 FSL X 710 FWL

Unit Letter "L", Section 5, T20S, R34E

Lea County, New Mexico

Data obtained from records maintained by the NMOCD

Well Data

Well spudded 12/22/1990 as Quail Ridge Morrow gas test by Matador Operating Co.

**Surface Casing: 17-1/2" hole. 13-3/8" 48# WC-40 @ 433'. Cmt. w/ 395 sx. TOC @ surface.
Top 50feet of 17 1/2" X 13 3/8" annular space filled with pea gravel per BLM**

**Intermediate Casing: 12-1/4" hole. 8-5/8" 32# S-80 & 3-55 @ 5158'. Cmt. 1st stage
w/ 400 sx Hall Lite & 1% CaCl + 200 sx Class H Neat, 2nd stage w/ 2350 sx Hall
Lite + 200 sx Class H Neat. TOC @ surface.**

**Production Casing: 5-1/2", LT&C, 20# L-80 (359.7') 17# N-80 (2243.9') 17# K-55
(6415') & 17# N-80 (1282.7') set 10,392'. Cmt. w/ 760 sx total. TOC @ 6250' by
bond log.**

**Perforations 10192-10198 17 perforations
CIBP 10,118' w/ 2 sx cmt (TOC @ 10,100')**

**Perforations 9424-9970 228 perforations
CIBP @ 9375' w/ 5 sx cmt (TOC @ 9335')**

Well plugged and abandoned in 1997 by Marathon Oil Company

25sx cement plug set 8366-8160ft

5 1/2" casing cut and pulled from 5219ft

25sx cement plug set 5269-5070ft

25sx cement plug set 3225-3125ft

25sx cement plug set 1787-1687ft

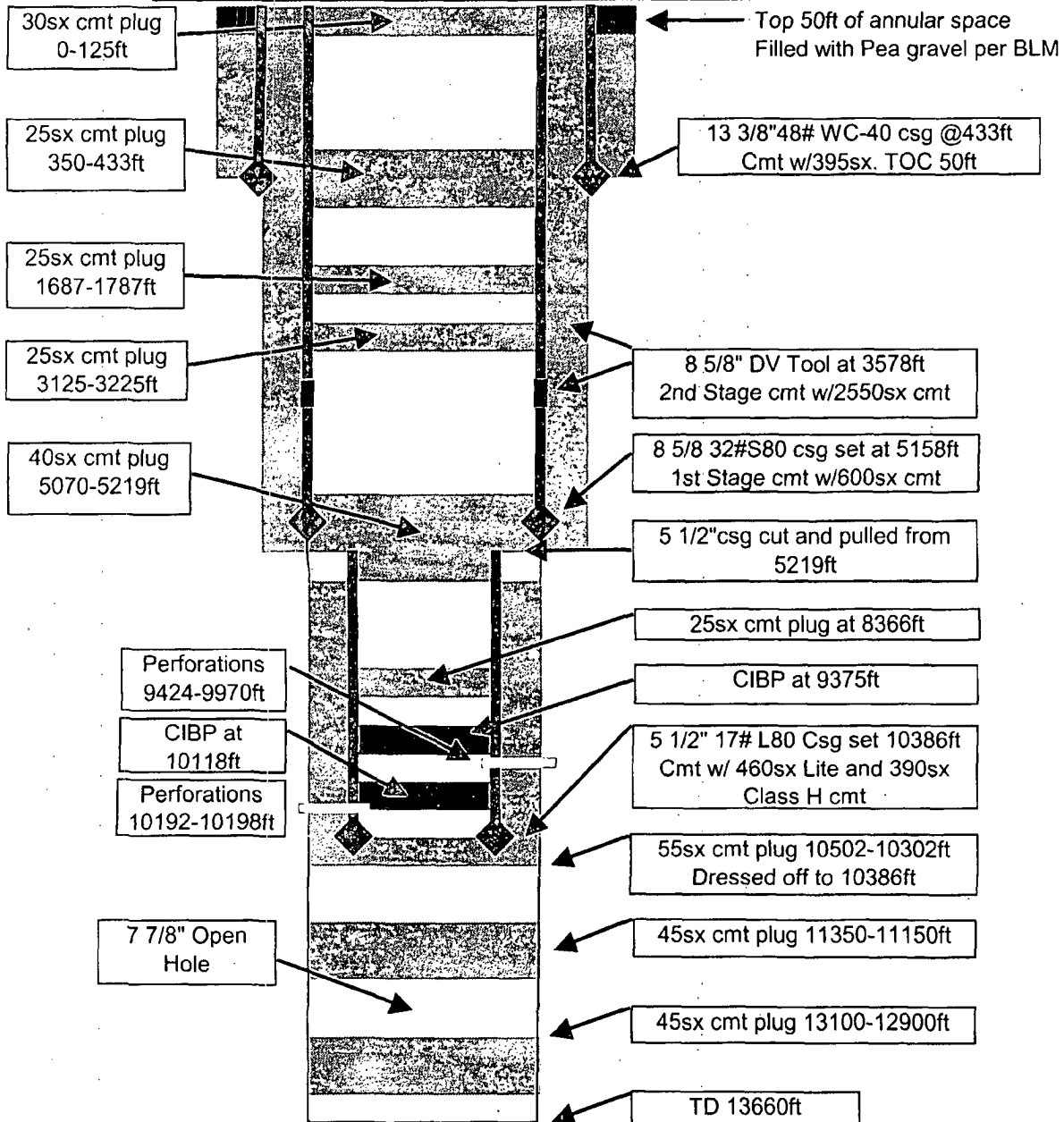
25sx cement plug set 433-350ft

30sx cement plug set 125-surface

Attachement A

Matador "5" Federal # 1
 API # 30-025-31056
 1980 FSL X 710 FWL
 Unit Letter "L", Sec. 5, T20S, R34E
 Lea County, New Mexico
 Spudded 12/22/1990
 Plugged and Abandoned
 10/3/1997

Prior to drill out
 and
 Conversion to SWD



Attachment A

Attachment C

Water Sample Analysis

Pool	Location		Range	Chlorides
	Section	Township		
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	68533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	116085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	39E	91600
DK Drinkard	30	20S	39E	106855
Littman San Andres	8	21S	38E	38695
East Hobbs grayburg	29	18S	39E	6461
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	36E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	36494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	16S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kemnitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124960
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23786
Caudill Devonian	9	15S	36E	20874
Townsend Wolfcamp	6	16S	36E	38695
Dean Permo Penn	5	16S	37E	44730
Dean Devonian	35	15S	36E	19525
South Denton Wolfcamp	26	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky Lake Devonian	29	15S	30E	23288
Wantz Abo	26	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114665
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93365
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Elliot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30601
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	179630
Maljamar Grayburg SA	22	17S	32E	46079
Maljamar Paddock	27	17S	32E	115375
Maljamar Devonian	22	17S	32E	25418

**Judah Oil Company
Matador 5 Federal # 1
API #30-025-31056
Unit Letter "L", Section 5, T20S, R34E
Lea County, New Mexico
C-108 (Application for the Authority to Inject)**

VIII

Fresh water is in the alluvial fill from surface to estimated 350feet deep. Surface casing on oil and gas wells in the 1 mile area of review average 452.5feet deep with the exception of 2 wells with deep surface set at average depth of 1500feet deep. Go-Tech shows stock wells outside the 1 mile area of review producing from the Chinle at a depth of 200feet and from the Ogallala at a depth of 58feet. The office of the State Engineer shows no fresh water wells located in the 1 mile area of review.

The Yates formation is a dense sandstone of Permian age. Above the Yates is the Tansill formation and below the Yates is the Delaware formation. There are no known fresh water sources below the Yates formation.

Attachment D

**Judah Oil Company
Matador 5 Federal # 1
API #30-025-31056
Unit Letter "L", Section 5, T20S, R34E
Lea County, New Mexico
C-108 (Application for the Authority to Inject)**

**Proof of Notify
Surface Owner**

**United States of America
Bureau of Land Management
620 E. Green Street
Carlsbad, NM
88220**

Mineral Owner

**United States of America
Bureau of Land Management
620 E. Green Street
Carlsbad, NM
88220**

Surface Lessee

**Kenneth Smith Inc.
267 Smith Ranch Road
Hobbs, New Mexico
88240**

Judah Oil Company
Matador 5 Federal # 1
API #30-025-31056
Unit Letter "L", Section 5, T20S, R34E
Lea County, New Mexico
C-108 (Application for the Authorization to Inject)

Proof of Notify

Offset Mineral Lessee

Section 5, T20S, R34E Lea County, NM

Read and Stevens, Inc
PO Box 1518
Roswell, NM 88201

East ½ Section 6, T20S, R34E Lea County, NM

Cimarex Energy of Colorado
5215 N. O'Conner Blvd
Irving, TX 75039

NE ¼ Section 7, T20S, R34E Lea County, NM

Legacy Reserves Operating, LP
PO Box 10848
Midland, TX 79702

NW ¼ Section 8, T20S, R34E Lea County, NM

Read and Stevens, Inc
PO Box 1518
Roswell, NM 88201