

**Jones, William V., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Monday, December 08, 2008 4:05 PM  
**To:** Jones, William V., EMNRD; 'devin garner'; 'Eddie Seay'  
**Cc:** Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Warnell, Terry G, EMNRD  
**Subject:** RE: Injection (Disposal) Application from Garners Well Service LLC: Saba State #1 30-025-33726

Re Item No. (1) on Mr. Jones' message of Dec ember 7

Since Saba is defunct, and their bond has been forfeited, we need you to submit to OCD counsel (the undersigned in this case) a letter requesting change of operator for this well. It is suggested that the mineral owner's Midland attorney (Mr. Johnson or Johnston, I believe) who handled this matter prepare the letter. We need a recitation of the history and evidence that Saba's lease has terminated. I know some of this history, but would like it all set forth for the record.

Thanks

David K. Brooks  
Legal Examiner  
505-476-3450

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

**From:** Jones, William V., EMNRD  
**Sent:** Sunday, December 07, 2008 3:49 PM  
**To:** devin garner; Eddie Seay  
**Cc:** Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Warnell, Terry G, EMNRD; Brooks, David K., EMNRD  
**Subject:** Injection (Disposal) Application from Garners Well Service LLC: Saba State #1 30-025-33726

Hello Devin and Eddie:

As you know, we received a letter of protest from Mr. Presley Duncan, so we cannot issue an administrative SWD permit for this well until Mr. Duncan retracts his protest in writing to this office.

In addition this issue, the following are concerns with this application and should be addressed prior to any administrative permit or hearing order is issued:

1) There is no change of operator form recorded for this unplugged well from Saba Energy of Texas, Inc. to Garners Well Service LLC. Therefore we must examine both Garners and Saba for Rule 5.9 (Old Rule 40) issues.

Saba Energy of Texas, Inc. must submit additional financial assurance, one well bonds to Dorothy Phillips of this office covering both of its wells. As these wells are transferred to another operator or returned to compliance, the bonds would be returned.

Garners Well Service, LLC is not listed in our system as an operator with a bond to operate. Please supply proof of this bond and tell me which OGRID applies to Garners.

2) There were several electric logs run on this well and the Division requires these to be turned in - and none appear in our system even though the well was drilled in 1996. Please ask Saba to locate all electric logs run on this well and send copies to Paul Kautz in Hobbs

for scanning. In this instance, this application to inject cannot be sufficiently evaluated without logs.

3) Your application says the expected disposal is 3000 barrels per day, but the intention is to use 3-1/2 inch tubing in 5-1/2 inch casing. Your cement top on the 5-1/2 inch casing is approx 7500 feet with intermediate casing set at 4546 feet. So if you lost this tubing in the hole above 4546 feet and were unable to fish, you could not adequately plug the well. Please explain this, or be prepared to squeeze cement the 5-1/2 inch prior to running this large tubing.

4) The OCD is charged with preventing waste of oil. There was no submittal in the application of a decline plot of Devonian production or other reservoir engineering or geologic discussion. The correspondence in the well file indicates this Devonian well was drilled in the middle of two N-S faults, so the structure was likely imaged on seismic prior to proposing the well. In addition, this well seems to be deviated. The Devonian IP was adequate and without water production. Since the Late 1990's oil prices have climbed from \$12 per barrel to about \$42 and many operators are drilling horizontal wells in the Devonian and handling much more water production to harvest existing Devonian oil. This reservoir likely has remaining oil that may or may not be economical to recover. The potential of this well should be explained at an examiner hearing along with presentation of evidence as to the extent of the Devonian trap and amount of existing oil in place.

5) Division Rule 26.8 contains notice requirements for SWD applications. It appears there are no other Devonian wells in this 1/2 mile AOR, so the lessees of the Devonian should be noticed. If a tract of land extends into this AOR circle and is not leased in the Devonian, then the mineral interest owner(s) should be noticed. Please have a Landman submit certification that these notice requirements have been met for every tract extending within the AOR.

Thank You,

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

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

From: devin garner [mailto:garneroil@yahoo.com]  
Sent: Monday, December 01, 2008 4:53 PM  
To: Jones, William V., EMNRD  
Subject: Saba St SWD Application

Mr. Jones

I was wondering the status of the application for the Saba St. If you could please let me know. Mr. Duncan is wondering whether or not he is going to receive monthly rental for the surface agreement, and I am waiting to see if this application will be approved before I send him funds for the surface agreement.

Thanks  
Devin Garner

# Injection Permit Checklist (7/8/08)

Case \_\_\_\_\_ R- SWD WFX \_\_\_\_\_ PMX \_\_\_\_\_ IPI \_\_\_\_\_ Permit Date \_\_\_\_\_ UIC Qtr \_\_\_\_\_

# Wells 1 Well Name: SABA State #1

API Num: (30-) 025-33726 Spud Date: 12/28/96 New/Old N (UIC primacy March 7, 1982)

Footages 2310 BSL/1308 FEL Unit 1 Sec 7 Tsp 13S Rge 36E County Lea

Operator: Gunnar Well Service LLC Contact Eddie Seay agent

OGRID: \_\_\_\_\_ RULE 40 Compliance (Wells) \_\_\_\_\_ (Finan Assur) \_\_\_\_\_

Operator Address: P.O. Box 101, Lovington, NM 88260

Current Status of Well: 2

Planned Work to Well:

Planned Tubing Size/Depth: 3 1/2" - 13,980

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing _____ Surface	<u>17 1/2 13 3/8</u>	<u>454</u>	<u>490</u>	<u>CIRC</u>
Existing _____ Intermediate	<u>11 8 5/8</u>	<u>4546</u>	<u>900</u>	<u>CIRC</u>
Existing _____ Long String	<u>7 7/8 5 1/2</u>	<u>13980</u>	<u>2000</u>	<u>9500 CACC</u>

DV Tool 11276 Liner \_\_\_\_\_ Open Hole 13980-14051 Total Depth 14051 PBTD \_\_\_\_\_

Well File Reviewed \_\_\_\_\_

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: None

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>13932</u>	<u>WOODFORD</u>	
Injection.....			
Interval TOP:	<u>13980</u>	<u>Dev</u>	
Injection.....			
Interval BOTTOM:	<u>14031</u>	<u>Dev</u>	
Below (Name and Top)	<u>14100</u>	<u>SILURIAN</u>	

Revised well

was in  
See Tatum-DEV Pool  
R-11059  
PSI Max. WHIP  
Open Hole (Y/N)  
Deviated Hole?

Sensitive Areas: Capitan Reef \_\_\_\_\_ Cliff House \_\_\_\_\_ Salt Depths \_\_\_\_\_

.... Potash Area (R-111-P) \_\_\_\_\_ Potash Lessee \_\_\_\_\_ Noticed? \_\_\_\_\_

Fresh Water: Depths: 40-180 Wells(Y/N) Yes Analysis Included (Y/N): ☒ Affirmative Statement ☒

Salt Water: Injection Water Types: DEV/SA/BL Analysis? \_\_\_\_\_

Injection Interval..... Water Analysis: yes Hydrocarbon Potential \_\_\_\_\_

Notice: Newspaper(Y/N) ☒ Surface Owner Presley Duncan Mineral Owner(s) \_\_\_\_\_

RULE 701B(2) Affected Parties: Enderson Res. / Seab. Energy of TEXAS, INC

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

Active Wells 0 Num Repairs \_\_\_\_\_ Producing in Injection interval in AOR \_\_\_\_\_

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

Questions to be Answered:

What is current operator? Protected

Open Hole or Perf?

3 1/2" Tubing in 5 1/2" = ?

Required Work on this Well: \_\_\_\_\_ Request Sent \_\_\_\_\_ Reply: \_\_\_\_\_

AOR Repairs Needed: \_\_\_\_\_ Request Sent \_\_\_\_\_ Reply: \_\_\_\_\_

\_\_\_\_\_ Request Sent \_\_\_\_\_ Reply: \_\_\_\_\_

need Financial Assurance for Morris #1 mail To Dorothy or Change of Operator

LOS 5 abattoir THEM!! Rule 5.9 Problem

William Jones  
Oil Conservation Division  
Santa Fe, New Mexico

December 3, 2008

That I, Wraldo Presley Duncan, am the  
sole owner of Section 7, Township 13S,  
Range 36E, near Tatum, New Mexico.  
I am in protest of Garner's Well  
Service LLC application to acquire a  
JWD, salt water disposal, permit for  
the Saba State #1, located on my property  
at Tatum, New Mexico. I did sign an  
agreement with Garner's Well Service  
for their use of Saba State in July 2008.  
That there are certain parts of this  
agreement that have not been lived up  
to and to many broken promises made,  
I now call this agreement null and  
void.

Signed.

Wraldo Presley Duncan

P.O. Box 171

Peralta, N.M. 87042

505-864-8810

CC - Garner's Well Service

Cover Page

To: Will Jones

From: Writden Presley Duncan

Fax: 505-476-3462

telefax: ~~505-864-8810~~ 505-864-8810

Oil Conservation Division

no. of pages - 2

Note:

Please dispatch this letter to Will  
Jones as soon as possible.

Thank You

**Jones, William V., EMNRD**

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**From:** billy@pwlrc.net  
**Sent:** Friday, September 12, 2008 7:44 PM  
**To:** Jones, William V., EMNRD  
**Cc:** Brad  
**Subject:** Saba State # 1 (API # 30-025-33726)

Will, Hope that all is going well for you. I am writing on behalf of Endeavor Energy Resources (Ogrid # 190595) the operator of the (API#30-025-28540) offset well to the Saba State # 1. It is our understanding that an application for commercial SWD has been filed with the NMOCD for the Saba State well. Endeavor is requesting that if an SWD application has been or is filed for this well that Endeavor is properly notified of the application.

Thanks

Billy(Bill) E. Prichard  
Pueblo West LLC  
Oilfield Consulting Service  
432-934-7680 cellular  
email; [billy@pwlrc.net](mailto:billy@pwlrc.net)

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

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9/13/2008

**Jones, William V., EMNRD**

**From:** Jones, William V., EMNRD  
**Sent:** Friday, September 12, 2008 9:48 AM  
**To:** Hill, Larry, EMNRD; Brooks, David K., EMNRD  
**Subject:** RE: Garner Well Service Well Application- Lovington

Hello Buddy:

Forwarding to David Brooks in case something we are missing. My think is the surface owner will only own the well after the lease terms are up or the individual well is plugged and abandoned and released?

*Garner Well Service* 2/29/08  
 The Saba State #1 was submitted for injection in Febr of 2008 and someone protested the application and the application was therefore cancelled by the OCD. If the protesting party retracts and the applicant again asks this to be considered for injection, we can re-look at it.

The Morris #1 has no admin order applications pending.

Take Care,

Will

**From:** Hill, Larry, EMNRD  
**Sent:** Friday, September 12, 2008 8:50 AM  
**To:** Jones, William V., EMNRD  
**Subject:** RE: Garner Well Service Well Application- Lovington

Will;

The well in question is, to my knowledge , not permitted. The well is currently on David Brooks plugging list. A state plugging order is in place. I have told both parties that they will need to contact Mr. Brooks before they can hope to acquire this well bore.

The well is the Saba State #1, 30-025-33726. Garner's Well Service also wants the Morris #1, 30-025-29247 to plug. Not my call !

Mr. Presley Duncan is under the impression that because he owns the surface he owns the well. Hard to explain the facts to him as he has already made up his mind. Let me know if you think there is something else we should do here.

Thanks; Buddy Hill, PFC

**From:** Jones, William V., EMNRD  
**Sent:** Friday, September 12, 2008 8:22 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Hill, Larry, EMNRD  
**Subject:** RE: Garner Well Service Well Application- Lovington

Hey Carl and Buddy:

They should send correspondence pertaining to pending SWD/Injection permits to the engineering bureau in Santa Fe.

If it is an existing SWD well, then the District manager or district designated UIC contact person should be the pertinent one. I don't know if Hobbs has only one person designated as the UIC contact person? Hobbs has more injection wells than any other district by far - as you are painfully aware of.

The engineering bureau requires folks who have previously protested an application and now want to retract - to send another  
 9/13/2008

10/27/08	SUSPENSE	W Jones	10/27/08	PMX	PKR0830155535
DATE IN		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



**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 \_\_\_\_\_

- [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.

Eddie W Seay  
 Print or Type Name

Eddie W Seay  
 Signature

Agent  
 Title

2/8/2008  
 Date

seay\_04@leaco.net  
 e-mail Address

*Gamen Well Service*  
*Solo State #1*  
*30-025-33726*  
*(Cardon)*  
*Prology Dine*  
*02/04/08*  
*11/24/08*  
 2008 OCT 27 PM 2 45  
 RECEIVED



**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Garners Well Service LLC  
ADDRESS: P.O. Box 101 Lovington, NM 88260  
CONTACT PARTY: Devin Garner PHONE: 575 631 4770
- 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 X 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: Eddie W. Seay TITLE: Agent  
SIGNATURE: Eddie W. Seay DATE: 1-30-08  
E-MAIL ADDRESS: seay04@leaco.net
- \* 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 District Office