



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER SWD-536

APPLICATION OF PRONGHORN SWD SYSTEM FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Pronghorn SWD System made application to the New Mexico Oil Conservation Division on October 6, 1993, for permission to complete for salt water disposal its Pronghorn Federal SWD Well No. 1 located 330 feet from the North line and 1650 feet from the East line (Unit B) of Section 24, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Pronghorn SWD System is hereby authorized to complete its Pronghorn Federal SWD Well No. 1 located 330 feet from the North line and 1650 feet from the East line (Unit B) of Section 24, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Yates and Seven Rivers formations at approximately 3300 feet to 3500 feet through 4 1/2-inch plastic-lined tubing set in a packer located at approximately 3270 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 660 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Yates and Seven Rivers formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

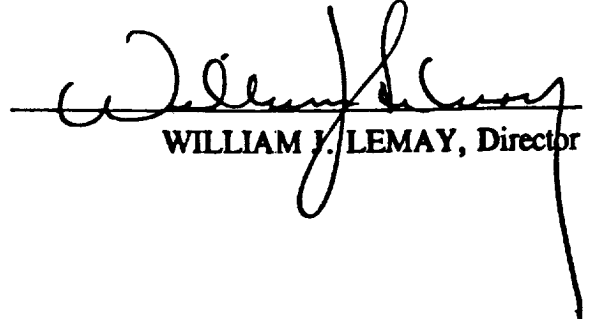
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Administrative Order SWD-536
Pronghorn SWD System
October 25, 1993
Page 3

Approved at Santa Fe, New Mexico, on this 25th day of October, 1993.


WILLIAM J. LEMAY, Director

WJL/BES/amg

xc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: Pronghorn SWD System
Address: P.O. Box 1979, Hobbs, NM 88241
Contact party: Larry Scott Phone: 505-392-8292
- 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 geological data on the injection zone including appropriate lithologic detail, geological 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 source 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 source 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: Larry Scott Title: President
Signature: Larry E. Scott Date: 9/3/92
- If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

III. WELL DATA

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 name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

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, P. O. Box 2080, Santa Fe, New Mexico 87501 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 I -- PAGE 1

APPLICATION FOR AUTHORIZATION
TO DRILL

PRONGHORN FEDERAL SWD NO. 1

ITEM III -- A. Well Data:

Exhibit "A" is the proposed disposal wellbore sketch.

- (1) Lease Name: Pronghorn Federal SWD
Well No. : 1
Location : 330' FNL and 1650' FEL
Section 24, T-19S, R-32E
Lea County, New Mexico
- (2) Surface Casing : 13-3/8", 54.5# set at 1100'
Hole Size : 17-1/2"
Cement : 1000 sx.
Cement Top : Surface
Prod. Casing : 8-5/8", 32# set at 3300'
Hole Size : 12-1/4"
Cement : 1300 sx.
Cement Top : Surface
- (3) Tubing : 4 1/2", 11.6#
Internally Plastic Coated
set at 3270'
- (4) Packer : Baker Lokset (Nickel Plated)
set at 3270'

B. Formation Data:

- (1) The name of the injection formation is the Yates-Seven Rivers.
- (2) Injection will be effected through open hole over the interval 3300'-3500'.
- (3) This well is to be drilled for injection.
- (4) There are no previously perforated intervals.
- (5) There are no horizons productive in the area of review either above or below the proposed injection interval.

FORM C-108 ATTACHMENT I -- PAGE 2

ITEM V ---- Map of area with radius of review: See Exhibit "B"

ITEM VI --- Tabulated data on all wells within the area of review is shown as Exhibit "C". Schematics of the two plugged wells within the area of review are Exhibits "D" and "E".

ITEM VII -- Proposed Operation:

- (1) Average daily injection rate = 10,000 BWPD
Maximum daily injection rate = 12,500 BWPD
- (2) System type: Closed
- (3) Average injection pressure anticipated = 0 psig
Maximum injection pressure anticipated = 600 psig
- (4) Source of injection fluid: All water in general area requested to be hauled and disposed by Gandy Corp. and Rowland Trucking Co., Inc., and wells directly connected to the pipeline system. A water analysis from a Delaware well in the area is included as Exhibit "F".
- (5) The Yates-Seven Rivers produces oil and gas within one mile of the proposed well. A water analysis from the Mack Energy Federal No. 2 located in Section 18, T-19S, R-33E is shown as Exhibit "G".

ITEM VIII - The Yates sandstone is very fine grained, gray, red, anhydritic, well cemented to friable, frosted quartz grains. The Seven Rivers dolomite is white to light gray, fine to medium crystalline. The Yates top is expected at 3075'. Injection will be effected in a two hundred foot interval in the basal Yates and the top of the Seven Rivers. There are no known sources of drinking water either overlying or underlying the injection interval in the area of review.

ITEM IX --- The open hole interval will be stimulated with 2000 gals. of 15% HCl-NE-FE acid.

ITEM X ---- Logs will be filed at the time the well is completed.

ITEM XI --- Fresh Water Wells: There are no fresh water wells within one mile of the proposed injection site.

ITEM XII -- Available geological and engineering data indicates that there are no open faults or other hydrologic connection between the proposed injection zone and any fresh water source.

FORM C-108 ATTACHMENT I -- PAGE 3

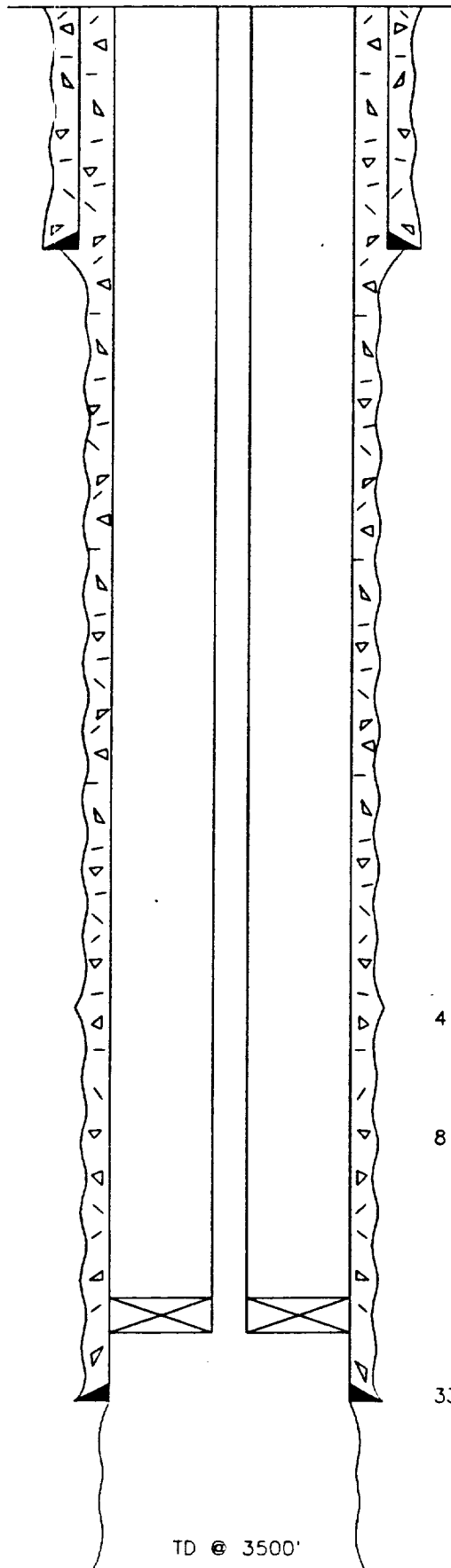
ITEM XIII - Proof of Notice: Proof of notice to the surface owner and offset operators is attached as Exhibit "H".

Exhibit A

PROPOSED DISPOSAL WELLBORE

8/5/93

Elev. 3625' GL



1100' - 13 3/8", 54.5#, casing

Cemented with 1000 sxs Circulated to Surface

4 1/2", 11.6#, Internally plastic coated tubing

8 5/8" Baker Lokset Packer set @ 3270'

3300' - 8 5/8", 32#, casing

Cemented with 1300 sxs Class C. Cement Circulated.

TD @ 3500'

PRONGHORN SWD SYSTEM

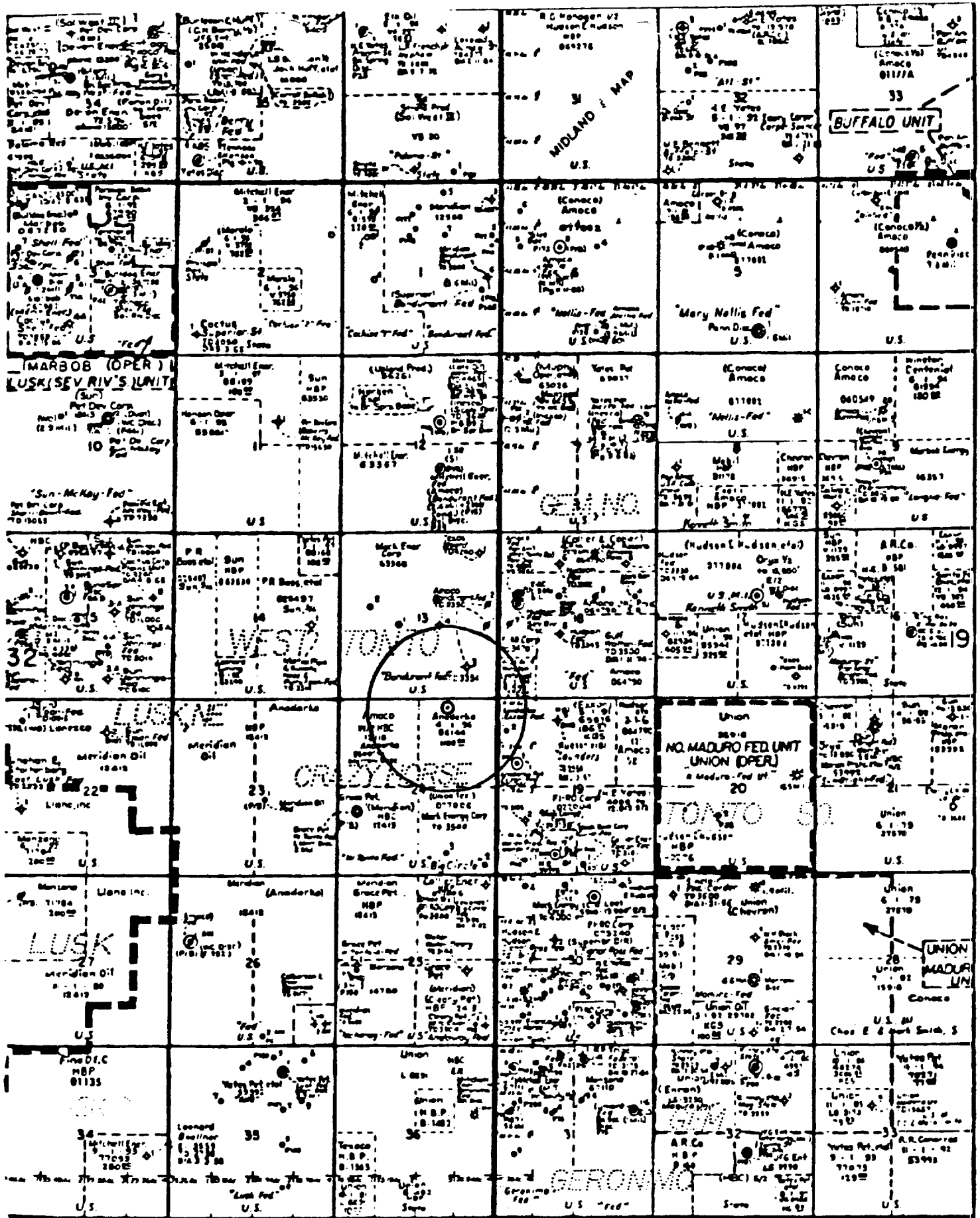
Pronghorn Federal SWD No. 1

330' FNL & 1650' FEL

Section 24, T-19S, R-32E

Lea County, NM

EXHIBIT A

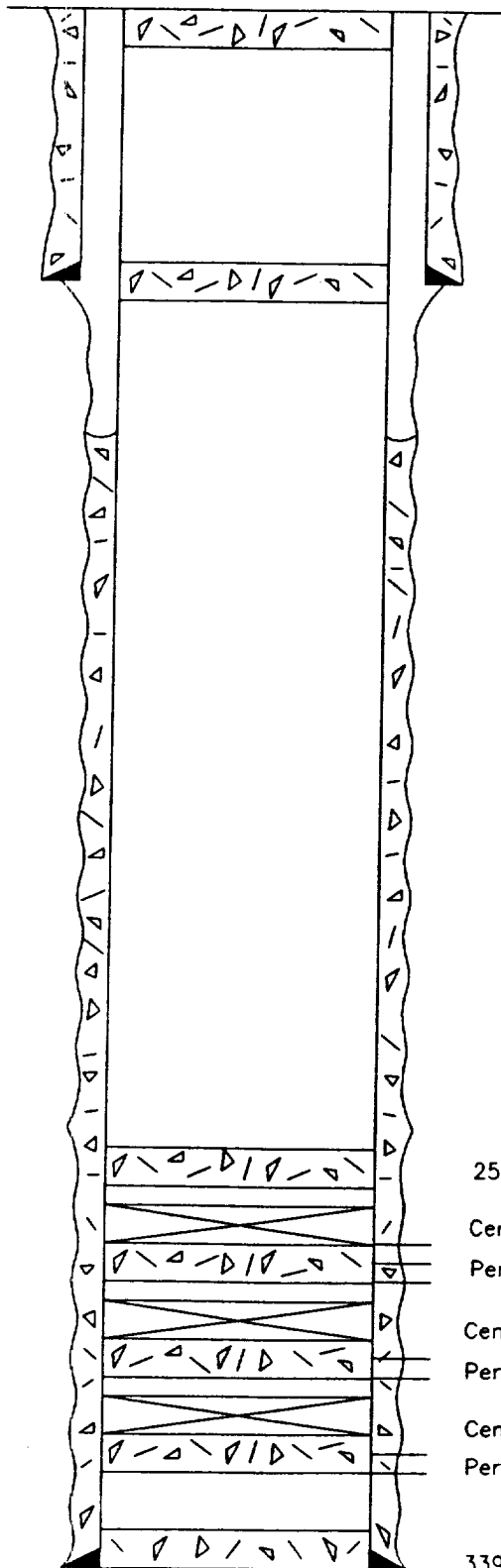


Well Name	Operator	Location Unit, Sec, TWP, RNG	Date Drilled	Well Type	Total Depth	Casing & Cement	Completion Record
Bondurant Fed No. 3	Amoco	P, 13, T-19S, R-32E	5/28/61	Dry Hole	3394'	8 5/8" 20# X-52 set @ 293' cmt. w/200 sx. Class C 4 1/2" 9.5# J-55 set @ 3394' cmt. w/925 sx. TOC Calc. 714'	Perfs. 3330'-34'. Acid 500 gals. Cmt. ret. @ 3320'. Sqz w/300 sx. Perfs. 3292'-3310' Acid 3000 gals. Cmt. ret. @ 3281'. Sqz w/100 sx. Perfs. 3248'-66'. Acid 500 gals. Cmt. ret. @ 3230'. Sqz w/125 sx. Spot 25 sx. @ 3215'. 25 sx. @ 325'. 10 sx. @ surface Class H cement plugs 35 sx. 3250'-3350'. 75 sx. 3060'-3210' 100 sx. 2700'-2850' 80 sx. 1230'-1360' 50 sx. 295'-395' 10 sx. @ surface
Bondurant Fed No. 4	Amoco	J, 13, T-19S, R-32E	9/3/78	Dry Hole	3350'	8 5/8" 24# J-55 set @ 345' cmt. w/225 sx. Class C	

Exhibit D

BONDURANT FEDERAL No. 3

8/9/93



10 sx. cement plug at surf.

293' - 8 5/8", 20#, X-52 casing

Cemented with 200 sxs Class C.
Circulated to Surface.

25 sx. cement plug at 325'

TOC Calculated at 714'.

25 sx. cement plug at 3215'.

Cement retainer at 3230'.

Perfs: 3246'-66', Sqz. w/125 sx. cement.

Cement retainer at 3281'.

Perfs: 3292'-3310', Sqz. w/100 sx. cement.

Cement retainer at 3320'.

Perfs: 3330'-34', Sqz w/300 sx. cement.

3394' - 4 1/2", 9.5#, J-55 casing

Cemented with 925 sxs. TOC Calc. 714'.

T.D. @ 3394'

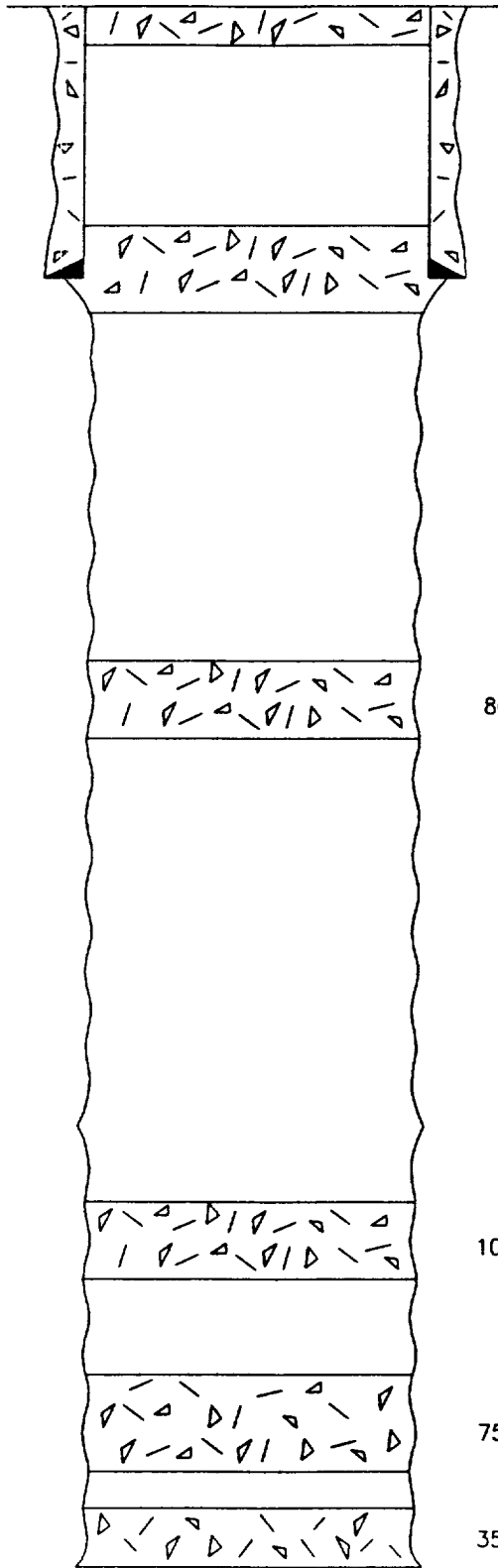
Amoco Production Co.
Bondurant Federal No. 3
Unit Letter P
Section 13, T-19S, R-32E
Lea County, NM

EXHIBIT D

Exhibit E

BONDURANT FEDERAL No. 4

8/9/93



10 sx. cement plug at surf.

50 sx. cement plug 295'-395'

345' - 8 5/8", 24#, J-55 casing

Cemented with 225 sxs Class C.
Circulated to Surface.

80 sx. cement plug 1230'-1360'

100 sx. cement plug 2700'-2850'

75 sx. cement plug 3060'-3210'

35 sx. cement plug 3250'-3350'.

T.D. @ 3350'

Amoco Production Co.
Bondurant Federal No. 4
Unit Letter J
Section 13, T-19S, R-32E
Lea County, NM

TRETOLITE DIVISION

(915) 682-4301
Fax (915) 684-7873

Reply to:
P.O. Box 60180
Midland, TX 79711-0180

WATER ANALYSIS REPORT

Company : LYNX PETROLEUM Date : 7-13-93
Address : HOBBS, NEW MEXICO Date Sampled : 6-30-93
Lease : ANADARKO EXXON Analysis No. : 2013
Well : FEDERAL #1
Sample Pt. :

ANALYSIS	mg/L	* meq/L
1. pH	6.8	
2. H2S	200 PPM	
3. Specific Gravity	1.150	
4. Total Dissolved Solids	233398.3	
5. Suspended Solids		
6. Dissolved Oxygen		
7. Dissolved CO2	0.0 PPM	
8. Oil In Water		
9. Phenolphthalein Alkalinity (CaCO3)		
10. Methyl Orange Alkalinity (CaCO3)	200.0	
11. Bicarbonate	HCO3 244.0	HCO3 4.0
12. Chloride	Cl 144747.1	Cl 4083.1
13. Sulfate	SO4 1570.0	SO4 32.7
14. Calcium	Ca 10541.0	Ca 526.0
15. Magnesium	Mg 7147.1	Mg 588.0
16. Sodium (calculated)	Na 69104.0	Na 3005.8
17. Iron	Fe 45.0	
18. Barium	Ba Not Run	
19. Strontium	Sr Not Run	
20. Total Hardness (CaCO3)	55750.1	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
526 *Ca <----- *HCO3	Ca(HCO3)2	81.0	4.0 324
----- /----->	CaSO4	68.1	32.7 2225
588 *Mg -----> *SO4	CaCl2	55.5	489.3 27152
----- <-----/	Mg(HCO3)2	73.2	
3006 *Na -----> *Cl	MgSO4	60.2	
-----	MgCl2	47.6	588.0 27992
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	3005.8 175661
BaSO4 2.4 mg/L			

REMARKS: SWEATT - BENNETT - FILE

PETROLITE

Petrolite Corporation
200 North Loraine, Suite 1100
Midland, TX 79701-4736

TRETOLITE DIVISION

(915) 682-4301
Fax (915) 684-7873

Reply to:
P.O. Box 60180
Midland, TX 79711-0180

SCALE TENDENCY REPORT

Company	: LYNX PETROLEUM	Date	: 7-13-93
Address	: HOBBS, NEW MEXICO	Date Sampled	: 6-30-93
Lease	: ANADARKO EXXON	Analysis No.	: 2013
Well	: FEDERAL #1	Analyst	: RAY SHAFFNER
Sample Pt.	:		

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO₃ Scaling Tendency

S.I. - 1.1 at 80 deg. F or 27 deg. C
S.I. - 1.2 at 120 deg. F or 49 deg. C

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S - 1541 at 80 deg. F or 27 deg C
S - 1677 at 120 deg. F or 49 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
RAY SHAFFNER

TRETOLITE DIVISION

(915) 682-4301
Fax (915) 684-7873

Reply to:
P.O. Box 60180
Midland, TX 79711-0180

WATER ANALYSIS REPORT

Company	: LYNX PETROLEUM	Date	: 7-13-93
Address	: HOBBS, NEW MEXICO	Date Sampled	: 6-30-93
Lease	: MACK ENERGY	Analysis No.	: 2014
Well	: FEDERAL #2		
Sample Pt.	:		

ANALYSIS		mg/L		* meq/L
1. pH	7.0			
2. H2S	12 PPM			
3. Specific Gravity	1.020			
4. Total Dissolved Solids		26677.1		
5. Suspended Solids				
6. Dissolved Oxygen				
7. Dissolved CO2		65 PPM		
8. Oil In Water				
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)		100.0		
11. Bicarbonate	HCO3	122.0	HCO3	2.0
12. Chloride	Cl	14001.9	Cl	395.0
13. Sulfate	SO4	2750.0	SO4	57.3
14. Calcium	Ca	1370.7	Ca	68.4
15. Magnesium	Mg	505.6	Mg	41.6
16. Sodium (calculated)	Na	7914.1	Na	344.2
17. Iron	Fe	12.7		
18. Barium	Ba	Not Run		
19. Strontium	Sr	Not Run		
20. Total Hardness (CaCO3)		5504.9		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
68 *Ca <----- *HCO3	Ca(HCO3)2	81.0	162
----- /----->	CaSO4	68.1	3898
42 *Mg -----> *SO4	CaCl2	55.5	507
----- <----- /	Mg(HCO3)2	73.2	
344 *Na -----> *Cl	MgSO4	60.2	
	MgCl2	47.6	1980
	NaHCO3	84.0	
	Na2SO4	71.0	
	NaCl	58.4	20118

Saturation Values Dist. Water 20 C

CaCO3	13 mg/L
CaSO4 * 2H2O	2090 mg/L
BaSO4	2.4 mg/L

REMARKS: SWEATT - BENNETT - FILE

PETROLITE

Petrolite Corporation
200 North Loraine, Suite 1100
Midland, TX 79701-4736

TRETOLITE DIVISION

(915) 682-4301
Fax (915) 684-7873

Reply to:
P.O. Box 60180
Midland, TX 79711-0180

SCALE TENDENCY REPORT

Company	: LYNX PETROLEUM	Date	: 7-13-93
Address	: HOBBS, NEW MEXICO	Date Sampled	: 6-30-93
Lease	: MACK ENERGY	Analysis No.	: 2014
Well	: FEDERAL #2	Analyst	: RAY SHAFFNER
Sample Pt.	:		

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO₃ Scaling Tendency

S.I. - 0.0 at 80 deg. F or 27 deg. C
S.I. - 0.2 at 120 deg. F or 49 deg. C

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S - 4167 at 80 deg. F or 27 deg C
S - 4283 at 120 deg. F or 49 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
RAY SHAFFNER

LEGAL NOTICE
DATE
NOTICE OF WATER DISPOSAL WELL

Pronghorn SWD System, P.O. Box 1979, Hobbs, NM 88241, Phone 505-392-8292, Contact - Larry R. Scott, has made application for a water disposal well with the NMOCD. The Pronghorn Federal SWD No. 1 will be drilled at a location 330' FNL and 1650' FEL of Section 24, T-19S, R-32E, Lea County, NM. Disposal will be into the Yates-Seven Rivers formation through an open hole completion over the interval 3300' to 3500'. Maximum rate and pressure are anticipated to be 12,500 BWPD and 600 psi. Interested parties must file objections or a request for a hearing with the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87504 within 15 days of this notice.

(
Amoco Production Company
Box 3092
Houston, TX 77253

Anadarko Petroleum Corp.
P.O. Box 2497
Midland, TX 79702

Exxon Company U.S.A.
Box 1600
Midland, TX 79702

Firo Corporation
P.O. Box 8148
Roswell, NM 88202

Grace Petroleum Corp.
6501 N. Broadway
Oklahoma City, OK 73116

William A. & Edward R. Hudson
616 Texas St.
Fort Worth, TX 76102

Mack Energy Corp.
Box 276
Artesia, NM 88210

USA
Carlsbad Resource Area
P.O. Box 1778
Carlsbad, NM 88220

Winston Centennial
Box 1837
Roswell, NM 88202-1837

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

General Manager

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of _____

one

weeks.

Beginning with the issue dated

Sept. 9, 19 93

and ending with the issue dated

Sept. 9, 19 93

Kathi Bearden

General Manager

Sworn and subscribed to before

me this 15 day of

September, 19 93

Charlene Perrin

Notary Public.

My Commission expires

March 15, 1997

(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE

September 9, 1993

NOTICE OF WATER
DISPOSAL WELL

Pronghorn SWD System, P.O. Box 1979, Hobbs, NM 88241. Phone 505-392-8292. Contact - Larry R. Scott, has made application for a water disposal well with the NMOC. The Pronghorn Federal SWD No. 1 will be drilled at a location 330' FNL and 1650' FEL of Section 24, T-19S, R-32E, Lea County, NM. Disposal will be into the Yates-Seven Rivers formation through an open hole completion over the interval 3300' to 3500'. Maximum rate and pressure are anticipated to be 12,500 BWPD and 600 psi. Interested parties must file objections or a request for a hearing with the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, NM, 87504 within 15 days of this notice.

RECEIVED

AUG 25 11 40 AM '94

August 23, 1994



United States Department of the Interior
Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88221-1778

Re: SW/4 of Section 24, T19S, R32E
Lea County, New Mexico

Gentlemen:

Anadarko Petroleum Corporation as the base lessee of the referenced acreage, does not have any objections to the drilling and future use of the following salt water disposal well:

Pronghorn SWD Well No. 1
330' FNL, 1650' FEL
Section 24, T19S, R32E
Lea County, New Mexico

If you have any questions concerning this matter, please call me at your earliest convenience.

Sincerely,

Kirk Ary
Landman

KA/jad

cc: Pronghorn SWD System
Larry R. Scott
P. O. Box 1979
Hobbs, NM 88241

ka.blm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bond Number

BO4775

RIGHT-OF-WAY SURETY BOND

Right-of-Way Grant or Temporary Use Permit Serial Number NM93345

KNOW ALL MEN BY THESE PRESENTS, that Pronghorn SWD System, a Limited Partnership as principal,
and Planet Indemnity Company of 410 17th St., #1675, Denver, CO 80202, as
surety organized and existing under the laws of the State of Colorado having its primary office
at 410 17th Street, Suite 1675, Denver, CO, are held and firmly bound unto the United States of America in

the sum of Twenty-Five Thousand and no/100 ----- dollars (\$ 25,000.00-----)
lawful money of the United States for the payment of which, well and truly to be made, we bind ourselves, each of us, our heirs,
executors, administrators, successors, or assigns, jointly and severally, firmly by these presents.

WHEREAS, said principal made application for the issuance of a right-of-way grant or temporary use permit for the use of the lands
described therein, bearing the above serial number; and

WHEREAS, said principal upon the issuance of such right-of-way grant or temporary use permit, is required to comply with the
following terms and conditions of said grant or temporary use permit:

Right-of-way bond for Salt Water Disposal Well

NOW, THEREFORE, If the said principal or his heirs, executors, administrators, successors, or assigns, shall fully comply with the said
terms and conditions then, and in that event, the obligation shall be null and void; otherwise it shall remain in full force and effect.

IN WITNESS WHEREOF, we hereunto set our hands and seals this 4th day of August, 1994.

Pronghorn SWD System, a Limited Partnership

BY: Harry D. Scott
(Signature of Principal)

PLANET INDEMNITY COMPANY

BY: Roy C. Hie
(Signature of Surety) Attorney-in-Fact

By _____

SIGNATURES OF WITNESSES

ADDRESSES OF WITNESSES

BY: _____

BY: Mitchell B. Hartmann

BY: Sue Haas

BY: Nancy Cruz

P.O. Box 1657, Lovington, N.M. 88260

8 Greenway Plaza, #400, Houston, TX 77046

8 Greenway Plaza, #400, Houston, TX 77046

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That PLANET INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Colorado, and having its principal office in the City of Denver, Colorado does hereby constitute and appoint:

ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*****FIFTY THOUSAND AND NO/100 DOLLARS*****

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said PLANET INDEMNITY COMPANY as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of PLANET INDEMNITY COMPANY, at a meeting called and held on this third day of March, 1987, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
- (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the third day of March, 1987, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, PLANET INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E. H. Frank, III, on this the twenty eighth day of August, 1991.



E. H. Frank, III
E.H. Frank, III

President

STATE OF COLORADO
COUNTY OF DENVER

On this 28th Day of August, 1991, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of PLANET INDEMNITY COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of Denver, Colorado, the day and year first above written.



Roy C. Die

Notary Public, Denver County, Colorado

CERTIFICATION

I, the undersigned officer of PLANET INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 4th day of August, 1994



Greg E. Chilson
Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

R/W NM 93345

OPERATING NAME PRONNHORN SWD SYSTEM WELL NO. & NAME 1-PRONGHORN SWD
 LOCATION 330 N 66 1650 E 6 SEC. 24 T. 19S L. 32E
 SURFACE LEA COUNTY N.M.

(TPO)
 The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditional upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3143.3 and 3143.4.

DRILLING OPERATIONS REQUIREMENTS

Capitan Controlled Water Basin

The Bureau of Land Management office is to be notified at (505) 393-3612, in sufficient time for a representative to witness:

- (☒) 1. Spilling (☒) 2. Cement casing 10³/₄ inch 7 inch ____ inch
 () 3. BOP tests () Other: Whenever a casing string is cemented in the A-III-P section area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

CASING

(☒) 10³/₄" surface casing should be set at 1100' (BELOW GROUNDWATER) and cement circulated to the surface. If cement does not circulate to the surface, this NM office will be notified and a temperature survey or cement bond log will be run to verify the top of the cement. Remedial cementing will be done prior to drilling out of that string.

- () Minimum required fill of cement behind the N/A intermediate casing is to ____
 (☒) Minimum required fill of cement behind the 7" production casing is to CIRCULATE TO THE SURFACE.

PRESSURE CONTROL

- (☒) Before drilling below the 10³/₄" casing, the blowout preventer assembly will consist of a minimum of:
 (☒) One Annular Preventer OR (☒) Two EM-Type Preventers (☒) Other KELLY COCK/STABBING VALVE

(☒) After setting the 10³/₄" casing string, and before drilling into the YATES Formation, the blowout preventers and related control equipment shall be pressure-tested as described in General Requirements. Any equipment failing to test satisfactorily will be repaired or replaced.

- () The test will be conducted by an independent service company.
 (☒) The results of the test will be reported to the appropriate NM office.
 () The Bureau of Land Management office is to be notified in sufficient time for a representative to witness the test.

() Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, will be installed and operating before drilling into the ____ Formation, and will be used until production casing is run and cemented. Monitoring equipment will consist of the following:

- () 1. A recording pit level indicator to determine pit volume gains and losses.
 () 2. A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 () 3. A flow-sensor on the flow-line to warn of any abnormal mud returns from the well.

() A Hydrogen Sulfide Contingency Plan will be approved by this NM office before drilling below the ____ Formation. A copy of the plan will be posted at the drilling site.

() Other Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to



PRONGHORN SWD SYSTEM

P.O. Box 1979
3325 Enterprise Drive
Hobbs, New Mexico 88241
(505) 392-8292 Fax: (505) 392-7886
August 8, 1994

RECEIVED
AUG 9 10 51 AM '94
CAL
ARE

Bureau of Land Management
Realty Department
P.O. Box 1778
Carlsbad, NM 88220

Gentlemen:

Enclosed is a copy of the \$25,000 performance bond that is required as part of the SF-299 application made earlier on our proposed Pronghorn SWD Well No. 1.

If you have any questions, please do not hesitate to call.

Sincerely,

PRONGHORN SWD SYSTEM

Deborah McKelvey
Deborah McKelvey

/dm

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bond Number

B04775

RIGHT-OF-WAY SURETY BOND

Right-of-Way Grant or Temporary Use Permit Serial Number NM93345

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and Planet Indemnity Company of 410 17th St., #1675, Denver, CO 80202, as
surety organized and existing under the laws of the State of Colorado having its primary office
at 410 17th Street, Suite 1675, Denver, CO, are held and firmly bound unto the United States of America in

the sum of Twenty-Five Thousand and no/100 ----- dollars (\$ 25,000.00-----)
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executors, administrators, successors, or assigns, jointly and severally, firmly by these presents.

WHEREAS, said principal made application for the issuance of a right-of-way grant or temporary use permit for the use of the lands
described therein, bearing the above serial number; and

WHEREAS, said principal upon the issuance of such right-of-way grant or temporary use permit, is required to comply with the
following terms and conditions of said grant or temporary use permit:

Right-of-way bond for Salt Water Disposal Well

NOW, THEREFORE, If the said principal or his heirs, executors, administrators, successors, or assigns, shall fully comply with the said
terms and conditions then, and in that event, the obligation shall be null and void; otherwise it shall remain in full force and effect.

IN WITNESS WHEREOF, we hereunto set our hands and seals this 4th day of August, 1994.

Pronghorn SWD System, a Limited Partnership

BY: Harry L. Scott
(Signature of Principal)

PLANET INDEMNITY COMPANY

BY: Roy C. Bie
(Signature of Surety) Attorney-in-Fact

By _____

SIGNATURES OF WITNESSES

BY: _____

BY: Michael B. Hartmann

BY: Sue Haas

BY: Nancy Cruz

ADDRESSES OF WITNESSES

P.O. Box 1657, Lovington, N.M. 88260

8 Greenway Plaza, #400, Houston, TX 77046

8 Greenway Plaza, #400, Houston, TX 77046

GENERAL POWER OF ATTORNEY

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ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*****FIFTY THOUSAND AND NO/100 DOLLARS*****

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said PLANET INDEMNITY COMPANY as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

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 - (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
 - (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the third day of March, 1987, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, PLANET INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E. H. Frank, III, on this the twenty eighth day of August, 1991.



E.H. Frank, III

President

E.H. Frank, III

STATE OF COLORADO
COUNTY OF DENVER

On this 28th Day of August, 1991, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of PLANET INDEMNITY COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of Denver, Colorado, the day and year first above written.



Nancy J. Brink

Notary Public, Denver County, Colorado

CERTIFICATION

I, the undersigned officer of PLANET INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 4th day of August, 19 94



Greg E. Chilson
Greg E. Chilson

Assistant Secretary

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ATTENTION DOUG HOAG
CASE FILE NO 93345

August 23, 1994

Anadarko 

United States Department of the Interior
Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88221-1778



Re: SW/4 of Section 24, T19S, R32E
Lea County, New Mexico

Gentlemen:

Anadarko Petroleum Corporation as the base lessee of the referenced acreage, does not have any objections to the drilling and future use of the following salt water disposal well:

Pronghorn SWD Well No. 1
330' FNL, 1650' FEL
Section 24, T19S, R32E
Lea County, New Mexico

If you have any questions concerning this matter, please call me at your earliest convenience.

Sincerely,



Kirk Ary
Landman

KA/jad

cc: Pronghorn SWD System
Larry R. Scott
P. O. Box 1979
Hobbs, NM 88241

ka.blm