	UNITED STATES	OCD Artesia		FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018											
BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS					5. Lease Serial No. NMNM97855										
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name										
1. Type of Well Gas Well Other 2. Name of Operator Contact: JANA MENDIOLA 9.					 If Unit or CA/Agreement, Name and/or No. Well Name and No. MCKITTRICK 24 FEDERAL 1 API Well No. 30-015-33648-00-S1 										
									3a. Address	3b. Phone No. (include area code) 10. Ph: 432-685-5936 1			Field and Pool or Exploratory Area NDIAN BASIN-UPPER PENN ASSOC		
									HOUSTON, TX 77210			C	De la Casa		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T22S R24E SWSE 800FSL 1650FEL			11. County or Parish, State EDDY COUNTY, NM												
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICAT	E NATURE O	F NOTICE, REP	ORT, O	R OTHER	DATA								
TYPE OF SUBMISSION	TYPE OF ACTION														
Notice of Intent	 Acidize Alter Casing 	🗖 Deep	en aulic Fracturing] Production (Start/Resume)] Reclamation] Recomplete		Water Shut-Off Well Integrity								
Subsequent Report	Casing Repair		Construction	Recomplete			Other								
Final Abandonment Notice			and Abandon 🔲 Tempora		Abandon	_									
	Convert to Injection Dlug Bac		Back 🛛 🛛 Water Dispos		al										
following completion of the involved testing has been completed. Final Al determined that the site is ready for f 1. Name(s) of formation(s) pro 2. Amount of water produced 3. How water is stored on the 4. How water is moved to disp 5. Operator(s) of disposal faci ? Lease name or well name & 2. Location by 1/4 1/4 Section,	inal inspection. oducing water on the lease from each formation in ba lease: Water Storage Tar posal facility: Transfer pun lity(ies): OXY USA WTP L number: McKittrick 14 Fe	e: McKittrick H rrels per day: hks hp P ederal SWD #1	ills; Upper Penr 102.1bbl		ACH	3-/8 nd - NMO ED FO	R								
? Location by 1/4 1/4 Section, SENE-14-22S-24E	Township, and Range of	the disposal s	ystem:		NM	ARTESI	NSERVAT	101							
14. I hereby certify that the foregoing is	s true and correct. Electronic Submission # For OXY USA WI itted to AFMSS for process	P LIMITED PTI	NRSHIP, sent to	the Carlsbad			28-2018-								
Name (Printed/Typed) DAVID ST	TEWART		Title SR. RE	GULATORY AD	/ISOR										
Signature (Electronic S	Submission)		Date 11/15/20	018	ACC	EPTED	FOR RF	<u>C0</u>							
	THIS SPACE FO	OR FEDERA]							
Approved By]	Title			NOV	5 2018								
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		BU	REAU OF LA	MD MANAGE	LE MEN							
Title 18 U.S.C. Section 1001 and Title 43	U.S.C. Section 1212, make it a statements or representations as			willfully to make to	any depar	tment or agen	cy of the United	<u> </u>							

(Instructions on page 2) ** BLM REVISED **

Additional data for EC transaction #444168 that would not fit on the form

32. Additional remarks, continued

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? The appropriate NMOCD permit number: SWD-893



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

ADMINISTRATIVE ORDER SWD-893

APPLICATION OF NEARBURG PRODUCING COMPANY FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Nearburg Producing Company made application to the New Mexico Oil Conservation Division on September 3, 2003 for permission to utilize for salt water disposal its McKittrick "14" Federal Well No. 1 (API 30-015-21010) located 2390 feet from the North line and 830 feet from the East line (Unit H) of Section 14, Township 22 South, Range 24 East, NMPM, Eddy 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 objection to the application has been received by the Division within the time period prescribed in Rule 701.

IT IS THEREFORE ORDERED THAT:

Nearburg Producing Company is hereby authorized to complete its McKittrick "14" Federal Well No. 1 (API 30-015-21010) located 2390 feet from the North line and 830 feet from the East line (Unit H) of Section 14, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Devonian formation through the perforated interval from a depth of 11,500 feet to 12,300 feet through 4 1/2 inch ceramic-lined tubing set in a packer located at approximately 11,400 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.

In preparation for disposal, the applicant shall set a string of 7.0-inch casing at a depth of approximately 12,600 feet in the McKittrick "14" Federal No. 1. In addition, the applicant shall cement this casing string from setting depth to the surface.

Prior to commencing injection operations, the applicant shall: i) obtain a native formation water sample from the Devonian formation; ii) have an analysis conducted on this water sample; and iii) provide the results of the water analysis to the Santa Fe office of the Division.

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 2300 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 injection 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 Artesia district office of the Division of the date and time: i) well deepening and casing operations will be conducted; ii) disposal equipment will be installed; and iii) the mechanical integrity pressure test conducted, in order that these operations may be witnessed.

The operator shall immediately notify the supervisor of the Artesia 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.

<u>PROVIDED FURTHER THAT</u>, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein. Administrative Order SWD-893 Nearburg Producing Company October 14, 2003 Page 3

The operator shall submit monthly reports of the disposal operations on Division Form C-120-A, 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.

Approved at Santa Fe, New Mexico, on this 14th day of October, 2003.

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LORI WROTENBERY, Director

LW/DRC

cc: Oil Conservation Division – Artesia Bureau of Land Management-Carlsbad Mr. William F. Carr

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico: 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approvals

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A:
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6 This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7 If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8 Disposal at any other site will require prior approval.
- 9 Subject to like approval by NMOCD

4-4/2017

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

- 1. Name(s) of formation (s) producing water on the lease.
- 2. Amount of water produced from each formation in barrels per day.
- 3. A water analysis of produced water from each zone showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.
- 4. How water is stored on the lease.
- 5. How water is moved to disposal facility.
- 6. Operator's of disposal facility
 - a. Lease name or well name and number _____
 - b. Location by ¼ ¼ Section, Township, and Range of the disposal system _____
 - c. The appropriate NMOCD permit number ______