

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Loco Hills Water Disposal P.O. Box 68 Loco Hills, NM 88255		² OGRID Number 13467
³ Property Code 37007	⁴ Property Name Brine Well	⁵ API Number 30-015-36119
⁶ Proposed Pool 1		⁷ Well No. 2
⁸ Proposed Pool 2		

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	17 S	30 E		1453	South	221	West	Eddy

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code M	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3667'
¹⁶ Multiple NO	¹⁷ Proposed Depth 1020'	¹⁸ Formation SALT	¹⁹ Contractor Circle Diamond Drilling	²⁰ Spud Date ASAP
Depth to Groundwater None		Distance from nearest fresh water well 2 miles		Distance from nearest surface water 5 miles
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20_mils thick Clay <input type="checkbox"/> Pit Volume: 250_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	32	620	500	Circulated
7 7/8"					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill with fresh water to 100' below top of salt (T/Salt est 520') Set casing circulate cement.
Drill out to base of salt est. 1020'

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Randall Harris

Title: Geologist

E-mail Address: rharrisnm@aim.com

Date: 9/20/07

Phone: 505.677.2370

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☒

DISTRICT I
1825 N. FRENCH DR., HOBBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESHA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87506

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name BRINE WELL	Well Number 2
OGRID No. 13467	Operator Name LOCO HILLS WATER DISPOSAL	Elevation 3667'

Surface Location

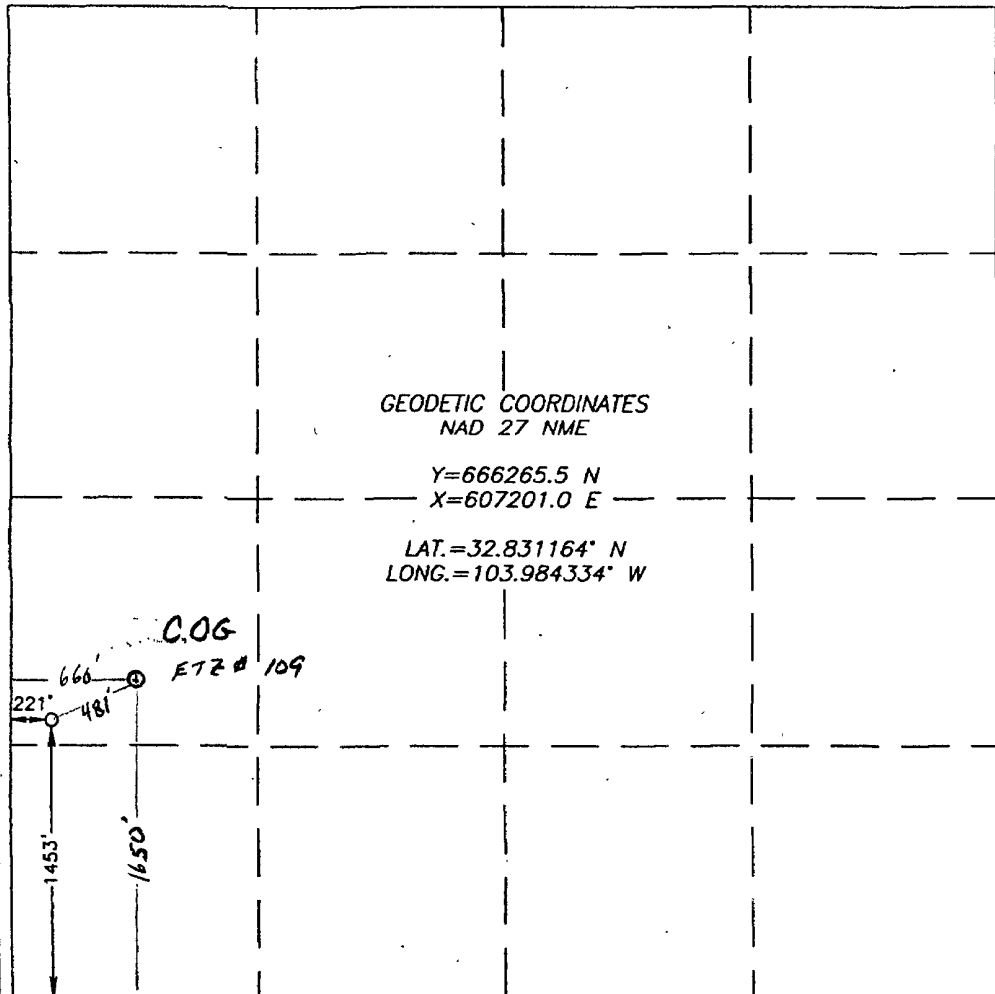
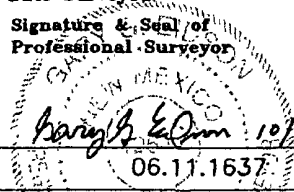
UL or lot No. L	Section 16	Township 17-S	Range 30-E	Lot Idn	Feet from the 1453	North/South line SOUTH	Feet from the 221	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date _____ Printed Name _____
	SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> OCTOBER 15, 2006 Date Surveyed _____ JR Signature & Seal of Professional Surveyor  Certificate No. GARY EDSON 12841 RONALD J. EDSON 3239



RECEIVED

2007 SEP 20 PM 1:31

Day Westall Operating, Inc.

Independent Oil Producer
Post Office Box 4
Loco Hills, New Mexico 88255
PH. 505-677-2370 • FAX 505-677-2361

NMOCD
1220 S St Francis Dr
Santa Fe, NM 87505

Attn: Carl Chavez

Re: Loco Hills Water Disposal
Brine Well #2

Gentlemen:

The one half mile area of review for the captioned well that is required on the C-108 (Application For Authorization To Inject) is to great of an area. A brine well circulates fluids under relative low pressure 50-200 psi, while a injection or disposal well forces fluid pressurizing the formation.

In the Brine Well #1 on this same lease, sonar mapping of the salt cavity was preformed after sixteen years of use. The maximum radius was only 178.4 feet. So a more reasonable area of review would be somewhere less than 500'.

The closest well to the proposed Brine Well #2 is the "COG ETZ Unit #109 at 481'. As stated in the C-108 the 8 5/8" surface set at 520' was circulated with cement and the 5 1/2" production casing set at 3305' was cemented with 360 sxs. This well should pose no foreseeable problems for a brine well at the proposed location.

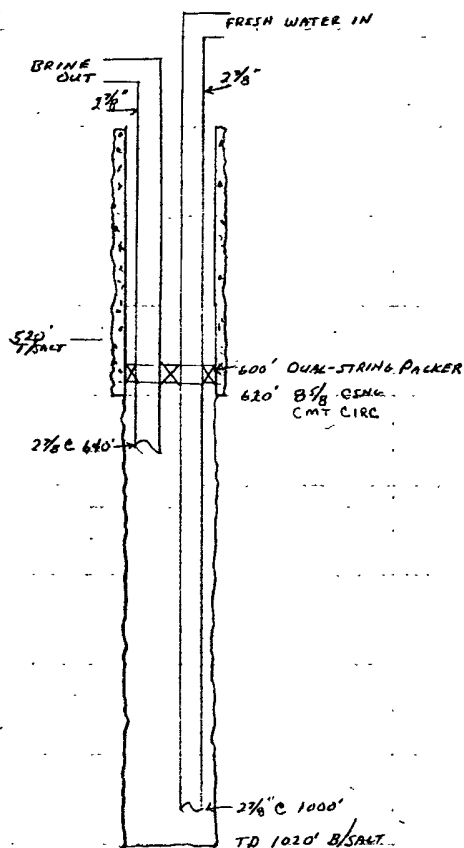
Respectfully submitted

Randall L. Harris
Geologist

INJECTION WELL DATA SHEET

OPERATOR: Loco Hills Water Disposal CompanyWELL NAME & NUMBER: Brine Well #2

WELL LOCATION: 1453' FSL & 221' FWL K 16 17 S 30E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

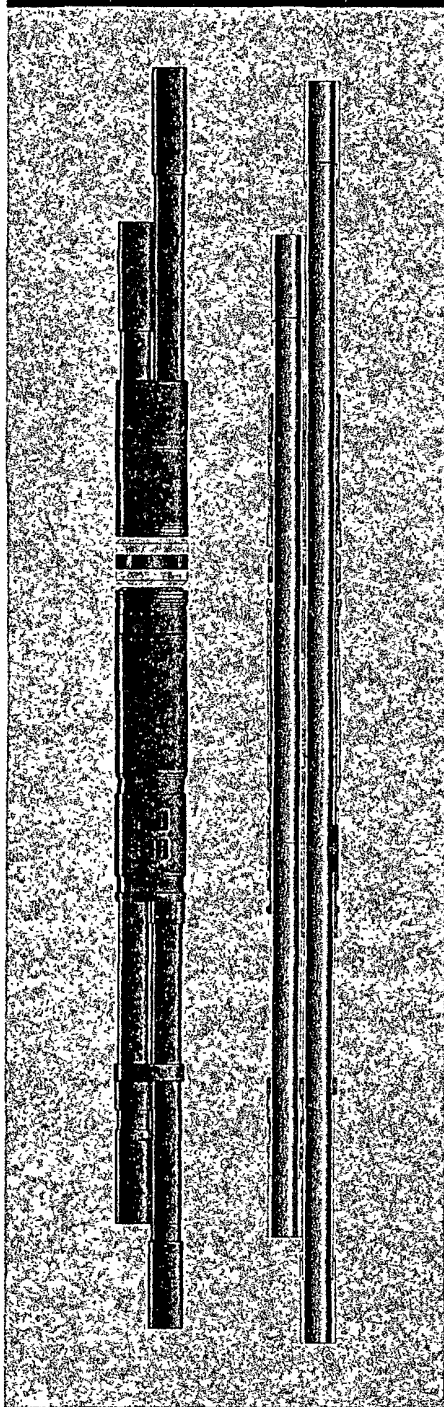
WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 12 1/4" Casing Size: 8 5/8"Cemented with: 500 sx. or ft³Top of Cement: Surface Method Determined: CirculatedIntermediate CasingHole Size: Casing Size: Cemented with: sx. or ft³Top of Cement: Method Determined: Production CasingHole Size: Casing Size: Cemented with: sx. or ft³Top of Cement: Method Determined: Total Depth: Injection Interval640 feet to 1000 Open Hole

(Perforated or Open Hole; indicate which)

Hydro-12 Hydraulic-Set Dual-String Packer

Schlumberger

Hydro-12 hydraulic-set dual-string packer.



The Hydro-12* dual-string, hydraulic-set, double-grip, retrievable production packer is designed to be set from either the long or the short string. The Hydro-12 packer can be run in stacked dual installations or above almost any type of single-string packer. The unique design allows the packer to be set without tubing manipulation, and both mandrels are free to rotate for ease of makeup. In addition, the short string does not move during setting, which simplifies tubing space out. Orientation of the string is done by using an optional locking mechanism.

The packer is set by plugging the tubing below the setting ports in the packer and applying pressure to the setting string. Common plugging devices include pump out plugs, pressure trip subs, or blanking plugs. The bidirectional slips anchor the packer in the casing, keeping the packer from moving upward or downward in response to differential pressure or tubing movement. This packer is suitable for applications requiring installation of the wellhead prior to packer setting since no tubing manipulation or movement is required.

The Hydro-12 packer is released by straight upward pull on either the short or long string or simultaneously on both strings until the packer's primary shear pin value is exceeded. When releasing the packer, the primary and secondary mandrel movement is simultaneous. This feature permits the use of electrical submersible pump cable feed-through systems.

Applications

- Vertical, deviated, or horizontal wellbores
- Dual production strings

Benefits

- Packer may be set after the wellhead is installed.
- Elimination of mandrel movement during setting facilitates the use of this packer in electrical submersible pump installations.
- Rig time is saved by the simultaneous running of tubing strings.

Features

- Can be set by the short or long string.
- No tubing manipulation is required to set the packer.
- No mandrel movement occurs during setting.
- Simultaneous mandrel movement occurs while releasing the packer.
- One-piece mandrel is designed with premium connections.
- Setting is not affected by tubing weight below the packer.
- Both mandrels are free to rotate.
- May be run with dual strings simultaneously.
- Tubing may be pulled without disturbing the packer.
- Mechanical locks prevent premature setting.