Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION
Drawer DD
Artesia, NM 88210

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM12828
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA, Agreement Designation:

1. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other
2. Name of Operator: MERIDIAN OIL INC.
3. Address and Telephone No.: P.O. Box 51810 Midland, TX 79710 915-688-6943
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): SEC. 12, T22S, R24E; 1900' FSL & 2150' FWL
8. Well Name and No.: SHELBY FEDERAL # 3
9. API Well No.: 30-015-25949
10. Field and Pool, or Exploratory Area: MCKITTRICK HILLS U/PENN
11. County or Parish, State: EDDY CO., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☐ Notice of Intent	☐ Abandonment	☐ Change of Plans
☒ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☒ Other AMEND WATER DISPOSAL METHOD	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. WATER IS PRODUCED FROM THE CISCO U/PENN ZONE.
2. THERE IS APPROXIMATELY 830 BOWPD PRODUCED
3. A CURRENT WATER ANALYSIS IS FORTHCOMING
4. WATER IS STORED IN FOUR (4) 500 BBL CLOSED TOP FIBERGLASS TANKS
5. WATER IS MOVED THRU A POLY LINE SYSTEM (ABOVE GROUND)
6. WATER IS TRANSPORTED VIA POLY LINE TO:
   NEARBURG PRODUCING COMPANY
   1819 N. TURNER, STE. A
   HOBBS, NEW MEXICO 88240
   505-397-4186
   M-H FEDERAL IN # 1, SEC.1,T18S,R24E, (660' FSL & 1650' FWL) PERMIT NOS: OCD 9933 & NM 90793

RECEIVED
OCT 13 12 11 PM '93
BUREAU OF LAND MGMT.
HOBBS, NEW MEXICO

14. I hereby certify that the foregoing is true and correct
Signed DONNA WILLIAMS Title PRODUCTION ASSISTANT Date 10/7/93

(This space for Federal or State office use)
Approved by [illegible] Title PETROLEUM ENGINEER Date 11/30/93
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

PETROLITE

SCALE TENDENCY REPORT

Company	: MERIDIAN OIL CO.	Date	: 7-7-93
Address	: ARTESIA, N.M.	Date Sampled	: 7-7-93
Lease	: SHELBY	Analysis No.	: 243
Well	: 1	Analyst	: DON CANADA
Sample Pt.	: WELLHEAD		

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

S.I. =	0.2	at	80 deg. F or	27	deg. C
S.I. =	0.2	at	100 deg. F or	38	deg. C
S.I. =	0.3	at	120 deg. F or	49	deg. C
S.I. =	0.3	at	140 deg. F or	60	deg. C
S.I. =	0.4	at	160 deg. F or	71	deg. C

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

S =	1704	at	80 deg. F or	27	deg C
S =	1730	at	100 deg. F or	38	deg C
S =	1725	at	120 deg. F or	49	deg C
S =	1711	at	140 deg. F or	60	deg C
S =	1676	at	160 deg. F or	71	deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
DON CANADA

PETROLITE

WATER ANALYSIS REPORT

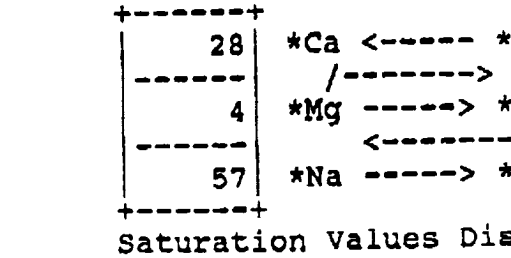
Company : MERIDIAN OIL CO.
Address : ARTESIA, N.M.
Lease : SHELBY
Well : 4
Sample Pt. : WELLHEAD

Date : 7-7-93
Date Sampled : 7-7-93
Analysis No. : 243

	ANALYSIS		mg/L		* meq/L
1.	pH	7.2			
2.	H2S	240 PPM			
3.	Specific Gravity	1.000			
4.	Total Dissolved Solids		5765.7		
5.	Suspended Solids		N/A		
6.	Dissolved Oxygen		N/A		
7.	Dissolved CO2		44 PPM		
8.	Oil In Water		N/A		
9.	Phenolphthalein Alkalinity (CaCO3)				
10.	Methyl Orange Alkalinity (CaCO3)				
11.	Bicarbonate	HCO3	146.0	HCO3	2.4
12.	Chloride	Cl	1278.0	Cl	36.1
13.	Sulfate	SO4	2425.0	SO4	50.5
14.	Calcium	Ca	560.0	Ca	27.9
15.	Magnesium	Mg	51.4	Mg	4.2
16.	Sodium (calculated)	Na	1305.2	Na	56.8
17.	Iron	Fe	0.1		
18.	Barium	Ba	0.0		
19.	Strontium	Sr	0.0		
20.	Total Hardness (CaCO3)		1610.0		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter



Saturation Values Dist. Water 20 C

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

Compound	Equiv wt	X meq/L	= mg/L
Ca(HCO3)2	81.0	2.4	194
CaSO4	68.1	25.6	1739
CaCl2	55.5		
Mg(HCO3)2	73.2		
MgSO4	60.2	4.2	254
MgCl2	47.6		
NaHCO3	84.0		
Na2SO4	71.0	20.7	1472
NaCl	58.4	36.1	2107

REMARKS:

Petrolite Oilfield Chemicals Group

Respectfully submitted,
DON CANADA