

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

**APPLICATION OF NGL WATER
SOLUTIONS PERMIAN, LLC
TO APPROVE SALT WATER
DISPOSAL WELL IN LEA
COUNTY, NEW MEXICO.**

CASE NO. 16509

APPLICATION

NGL Water Solutions Permian, LLC ("NGL"), OGRID No. 372338, through its undersigned attorneys, hereby makes this application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-12, for an order approving drilling of a salt water disposal well in Lea County, New Mexico. In support of this application, NGL states as follows:

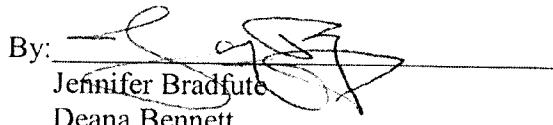
- (1) NGL proposes to drill the Raptor SWD #1 well at a surface location 295 feet from the North line and 1,580 feet from the West line of Section 27, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well.
- (2) NGL seeks authority to inject salt water into the Silurian and Devonian formations at a depth of 18,529 – 19,874'.
- (3) NGL further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5 ½ inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day.
- (4) NGL anticipates using an average pressure of 2,779 psi for this well, and it requests that a maximum pressure of 3,750 psi be approved for the well.
- (5) A proposed C-108 for the subject well is attached hereto in Attachment A.

(6) The granting of this application will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, NGL requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 1, 2018; and that after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 
Jennifer Bradfute
Deana Bennett
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 16509 Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving disposal into the Silurian and Devonian formations through the Raptor SWD #1 well at a surface location 295 feet from the North line and 1,580 feet from the West line of Section 27, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, for the purpose of operating a salt water disposal well. The target injection interval is the Silurian and Devonian formations at a depth of 18,529 – 19,874'. NGL further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5 ½ inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 4 miles southwest of Jal, New Mexico.

7/22/2021
2021-07-22

| | | | |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & 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

Applicant: NGL WATER SOLUTIONS PERMIAN LLC **OGRID Number:** 372338
Well Name: RAPTOR SWD #1 **API:** TBD
Pool: SWD; SILURIAN-DEVONIAN **Pool Code:** 96101

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

NSL NSP_(PROJECT AREA) NSP_(PRORATION UNIT) SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

DHC CTB PLC PC OLS OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

WFX PMX SWD IPI EOR PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. Offset operators or lease holders
- B. Royalty, overriding royalty owners, revenue owners
- C. Application requires published notice
- D. Notification and/or concurrent approval by SLO
- E. Notification and/or concurrent approval by BLM
- F. Surface owner
- G. For all of the above, proof of notification or publication is attached, and/or,
- H. No notice required

| FOR OCD ONLY | |
|--------------------------|------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application |
| <input type="checkbox"/> | Content Complete |

3) 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.

CHRIS WEYAND

Print or Type Name

09/27/2018

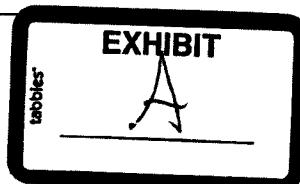
Date

512-600-1764

Phone Number

CHRIS@LONQUIST.COM

e-mail Address



APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: NGL WATER SOLUTIONS PERMIAN, LLC

ADDRESS: 1509 W WALL ST // STE 306 // MIDLAND, TX 79701

CONTACT PARTY: SARAH JORDAN PHONE: (432) 685-0005 x1989

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 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.

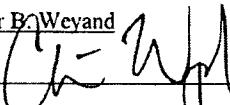
XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

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: Christopher B. Weyand

TITLE: Consulting Engineer

SIGNATURE: 

DATE: 9/20/2018

E-MAIL ADDRESS: chris@lonquist.com

* 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: _____

Side 2

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 the 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, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, 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.

INJECTION WELL DATA SHEET

OPERATOR: NGL WATER SOLUTIONS PERMIAN, LLC

WELL NAME & NUMBER: RAPTOR SWD #1

WELL LOCATION: 295 FNL & 1,580' FWL C SECTION 27 TOWNSHIP 26S RANGE 36E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATA
Surface CasingHole Size: 24.000"Cemented with: 1.487 sx.Top of Cement: Surface1st Intermediate CasingHole Size: 17.500"Cemented with: 3.627 sx.Top of Cement: Surface2nd Intermediate CasingHole Size: 12.250"Cemented with: 3.310 sx.Top of Cement: SurfaceMethod Determined: Circulationor _____ ft³Method Determined: Circulationor _____ ft³Casing Size: 20.000"Method Determined: Circulationor _____ ft³Casing Size: 13.375"Method Determined: Circulationor _____ ft³

Production Liner

Hole Size: 8.500"

Casing Size: 7.625"
or _____ ft'

Cemented with: 452 sx.

Top of Cement: 12,200'

Total Depth: 19,874'

Method Determined: Calculation

Injection Interval

18,529 feet to 19,874 feet

(Open Hole)

INJECTION WELL DATA SHEET

Tubing Size: 7", 26 lb/ft, P-110, TCP/C from 0' - 12,100' and 5,500'. 17 lb/ft, P-110 TCP/C from 12,100' - 18,500'.
Lining Material: Duoline

Type of Packer: 7-5/8" x 5-1/2" TCP/C Permanent Packer with High Temp Elastomer and Full Inconel

Packer Setting Depth: 18,500'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes No
If no, for what purpose was the well originally drilled? N/A
2. Name of the Injection Formation: Devonian, Silurian, Fusselman and Montoya (Top 100')
3. Name of Field or Pool (if applicable): SWD; Silurian-Devonian
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No, new drill.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
Yates-Seven Rivers: 3,125'
Bone Spring: 8,559'
Wolfcamp: 11,969'
Strawn: 12,827'

NGL Water Solutions Permian, LLC

Raptor SWD No. 1

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

| Well information | |
|------------------|-----------------------|
| Lease Name | Raptor SWD |
| Well No. | 1 |
| Location | S-27 T-26S R-36E |
| Footage Location | 295' FNL & 1,580' FWL |

2.

a. Wellbore Description

| Casing Information | | | | |
|--------------------|-----------|--------------|------------|----------|
| Type | Surface | Intermediate | Production | Liner |
| OD | 20" | 13.375" | 9.625" | 7.625" |
| WT | 0.635" | 0.480" | 0.545" | 0.500" |
| ID | 18.730" | 12.415" | 8.535" | 6.625" |
| Drift ID | 18.542" | 12.259" | 8.535" | 6.500" |
| COD | 21.00" | 14.375" | 10.625" | 7.625" |
| Weight | 133 lb/ft | 68 lb/ft | 53.5 lb/ft | 39 lb/ft |
| Grade | K-55 | HCL-80 | P-110 | V-140 |
| Hole Size | 24" | 17.5" | 12.25" | 8.5" |
| Depth Set | 1,800' | 5,150' | 12,500' | 18,529' |

b. Cementing Program

| Cement Information | | | | |
|--------------------|----------------------|----------------------|--|---------|
| Casing String | Surface | Intermediate | Production | Liner |
| Lead Cement | Extenda Cem | Neocem | Neocem, Halcem | Neocem |
| Lead Cement Volume | 713 | 1,821 | Stage 1: 829 sks Stage 2: 516 sks Stage 3: 663 sks | 278 |
| Tail Cement | Halcem | Halcem | Neocem, Halcem | Halcem |
| Tail Cement Volume | 774 | 1,806 | Stage 1: 504 sks Stage 2: 295 sks Stage 3: 503 sks | 173 |
| Cement Excess | 25% | 60% | 25%, 25%, 0% | 10% |
| TOC | Surface | Surface | Surface | 12,200' |
| Method | Circulate to Surface | Circulate to Surface | Circulate to Surface | Logged |

3. Tubing Description

| Tubing Information | | |
|--------------------|------------|------------------|
| OD | 7" | 5.5" |
| WT | 0.362" | 0.304" |
| ID | 6.276" | 4.892" |
| Drift ID | 7.875" | 6.050" |
| COD | 6.151" | 4.653" |
| Weight | 26 lb/ft | 17 lb/ft |
| Grade | P-110 TCPC | P-110 TCPC |
| Depth Set | 0'-12,100' | 12,100' -18,500' |

Tubing will be lined with Duoline.

4. Packer Description

7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer and Full Inconel

B. Completion Information

1. Injection Formation: Devonian, Silurian, Fusselman, Montoya (Top 100')
2. Gross Injection Interval: 18,529' – 19,874'

Completion Type: Open Hole

3. Drilled for injection.
4. See the attached wellbore schematic.

5. Oil and Gas Bearing Zones within area of well:

| Formation | Depth |
|--------------------|---------|
| Yates-Seven Rivers | 3,125' |
| Bone Spring | 8,559' |
| Wolfcamp | 11,969' |
| Strawn | 12,827' |

VI. Area of Review

API No. 30-025-26557 penetrates the proposed injection zone within 1-mile of the proposed Raptor SWD #1. The completion report is attached. The well was drilled to the Devonian (TD 18,577') and plugged back to 15,550' (which is in the Morrow formation) with multiple cement plugs. A CIBP was set at 15,190'.

VII. Proposed Operation Data

1. Proposed Daily Rate of Fluids to be Injection:

Average Volume: 40,000 BPD

Maximum Volume: 50,000 BPD

2. Closed System

3. Anticipated Injection Pressure:

Average Injection Pressure: 2,779 PSI (surface pressure)

Maximum Injection Pressure: 3,705 PSI (surface pressure)

4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Bone Spring and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Bone Spring, Wolfcamp, and Strawn formations.
5. The disposal interval is non-productive. No water samples are available from the surrounding area.

VIII. Geological Data

The Devonian formation is a dolomitic ramp carbonate that occurs below the Woodford shale and above the Fusselman formation. Strata found in the Devonian formation include two major groups, the Wristen Buildups and the Thirtyone Deepwater Chert, with the Wristen being more abundant. The Wristen Groups is composed of mixed limestone and dolomites with mudstone to grainstone and boundstone textures. Porosity in the Wristen group is a result of both primary and secondary development. Present are moldic, vugular, karstic (including collapse breccia) features that allow for higher porosities and permeabilities. The Thirtyone Formation contains two end-member reservoir facies, skeletal packstones/grainstones and spiculitic chert, with most of the porosity and permeability found in the coarsely crystalline cherty dolomite. These particular characteristics allow for this formation to be a tremendous Salt Water Disposal horizon.

A. Injection Zone: Siluro-Devonian Formation

| Formation | Depth |
|--------------------|---------|
| Rustler | 1,741' |
| Yates-Seven Rivers | 3,125' |
| Delaware | 5,185' |
| Bone Spring | 8,335' |
| Wolfcamp | 12,349' |
| Penn | 12,419' |
| Atoka | 12,979' |
| Morrow | 14,319' |
| Mississippian Lime | 16,709' |
| Woodford | 18,059' |
| Devonian | 18,509' |

B. Underground Sources of Drinking Water

Within 1-mile of the proposed Raptor SWD #1 location, there are two water wells. Only one water well has been reported of having a depth of 800 ft. Water wells in the surrounding area have an average depth of 564 ft and an average water depth of 254 ft generally producing from the Santa Rosa. The upper Rustler may also be another USDW and will be protected.

IX. Proposed Stimulation Program

Stimulate with up to 50,000 gallons of acid.

X. Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI. Chemical Analysis of Fresh Water Wells

There are two water wells that exist within one mile of the well location. If samples can be obtained, analysis results will be provided as soon as possible. A map and Water Right Summary from the New Mexico Office of the State Engineer is attached for water well J-00025 POD2.

District I
1625 N French Dr., Hubbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
111 S First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1,
2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | |
|----------------------------------|--|---------------------------------|--|--|
| ¹ API Number | | ² Pool Code 96101 | ³ Pool Name SWD; Silurian-Devonian | |
| ⁴ Property Code | ⁵ Property Name RAPTOR SWD | | ⁶ Well Number 1 | |
| ⁷ OGRID No. 372338 | ⁸ Operator Name NGL WATER SOLUTIONS PERMIAN, LLC | | ⁹ Elevation 2903.00± | |

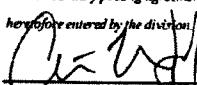
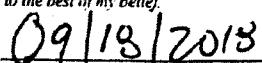
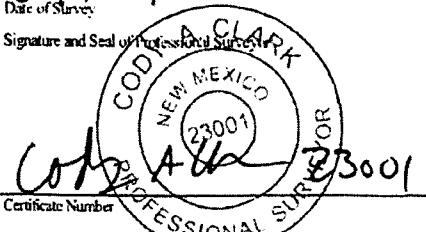
" Surface Location

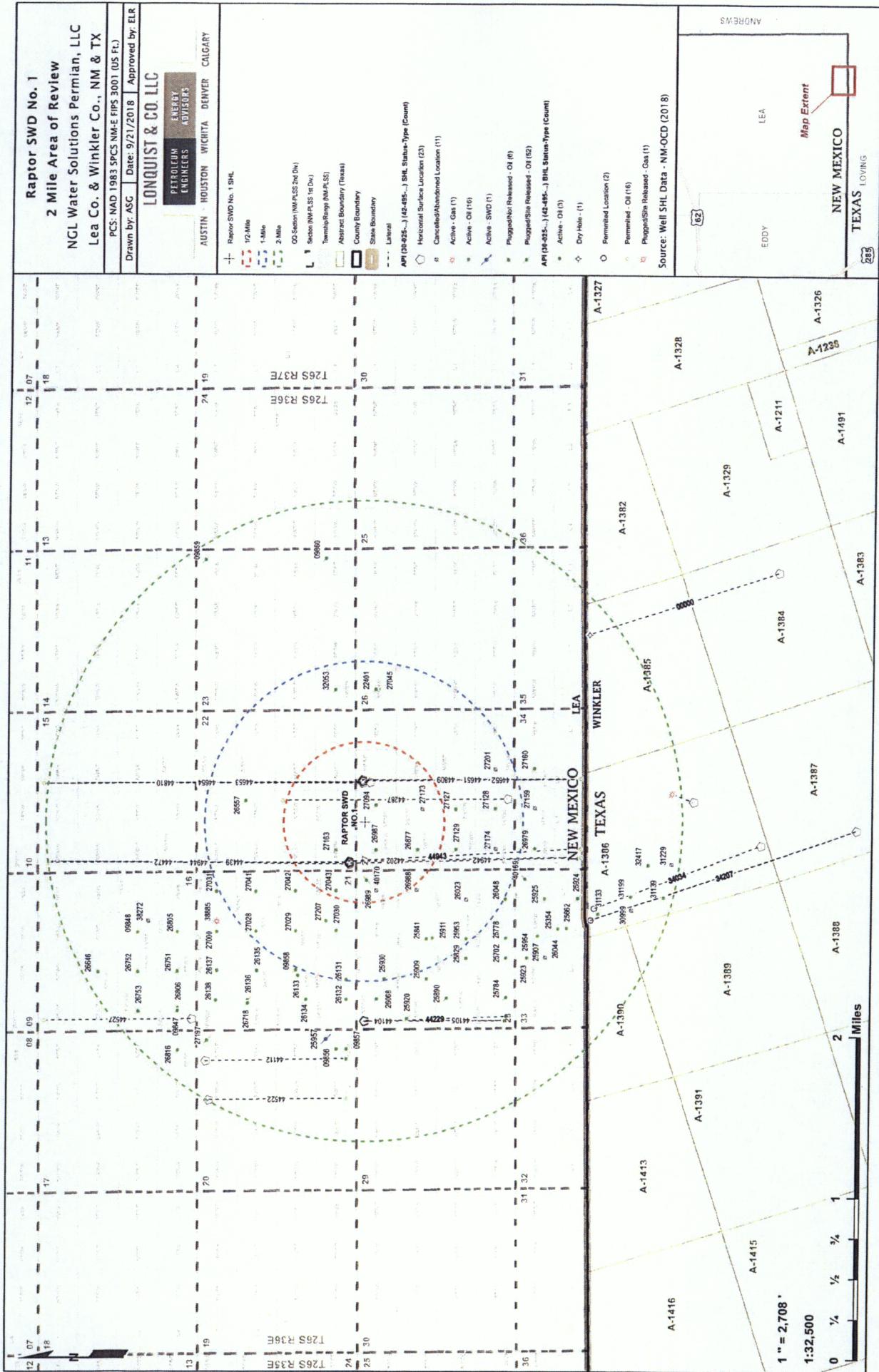
| UL or lot no. C | Section 27 | Township 26 S | Range 36 E | Lot Idn N/A | Feet from the 295' | North/South line NORTH | Feet from the 1580' | East/West line WEST | County LEA |
|--------------------|---------------|------------------|---------------|----------------|-----------------------|---------------------------|------------------------|------------------------|---------------|
| | | | | | | | | | |

" 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

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.

| | | | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|
| ¹⁰ | ¹¹ | ¹² | ¹³ | ¹⁴ | ¹⁵ | ¹⁶ | ¹⁷ |
| | | | | | | | OPERATOR CERTIFICATION |
| | | | | | | | I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. |
| | | | | | | |  9/18/2018 Signature Date |
| | | | | | | | Chris Weyand Printed Name chris@lonquist.com E-mail Address |
| | | | | | | | SURVEYOR CERTIFICATION |
| | | | | | | | 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. |
| | | | | | | |  09/18/2018 Date of Survey |
| | | | | | | | Signature and Seal of Professional Surveyor |
| | | | | | | |  CODE OF CLARK NEW MEXICO 23001 PROFESSIONAL SURVEYOR Certificate Number: 23001 |



| HERITAGE RESOURCES, INC. | | | | WELL NAME: PAWNEE DEEP UNIT #1 | | | |
|--------------------------------|-------------------|--------|-------|--------------------------------|---------|---------|--|
| COMPANY REP: | | CASING | SIZE: | WT: | GRADE: | THREAD: | PACKER FLUID: |
| COUNTY: LEA | STATE: NEW MEXICO | LINER | SIZE: | WT: | GRADE: | THREAD: | TUBING WT. ON LOWER: MIDDLE: UPPER: |
| SEC. 22, T-26-S, R-36-E | | | SIZE: | WT: | GRADE: | THREAD: | TYPE LATCH LOWER: MIDDLE: UPPER: |
| 25 | | | SIZE: | WT: | GRADE: | THREAD: | OPERATOR: HERITAGE RESOURCES, INC. |
| 1 | | | ITEM | DEPTH | LENGTH | JTS | OFFICE: DATE: 10/30/2013 |
| | | | | | | | DESCRIPTION |
| 25 | | | 1 | 925' | 925' | | 20" @925' w/1700 sx cmt circ. to surface |
| 1 | | | 2 | 4,950' | 4,950' | | 13 3/8" @4,950' w/3800 sx cmt circ to surface |
| 23 | | | 3 | 11,854' | 11,854' | | 9 5/8" @11,854' w/2425 sx cmt. Top of cmt @5800' by temp survey. |
| 2 | | | 4 | 16,504' | 4,943' | | 7 3/4" liner set @11,561' - 16,504' w/700 sx cmt |
| 22 | | | 5 | | | | Open hole from 16,504' to TD of 18,577' |
| 19 | | | 6 | 18,035' | | | 18,035' - 18,535' cmt plug spotted |
| 18 | | | 7 | 17,000' | | | 17,000' - 17,500' cmt plug spotted |
| 15 | | | 8 | 15,550' | | | 15,550' - 16,550' cmt plug spotted |
| 14 | | | 9 | 15,190' | | | Cast iron bridge plug @15190' w/10' cmt on top |
| 3 | | | 10 | | | | Perforations 12,505' - 13,196' |
| 12,505' - 13,196' perforations | | | 11 | 12400' | | | 7 5/8" CIBP set at 12,400' w/8 sx cmt. to 12,365' |
| 10 | | | 12 | 11,500' | | | 7.71" CIBP set at 11,500' w/12 sx cmt. |
| 4 | | | 13 | 6,652' | | | Perforations 6,652'-6,672' squeezed w/150 sx cmt. |
| 7 | | | 14 | 11,500' | | | Loose 9 5/8" packer w/cmt. on top & dump bailer left in hole. |
| 5 | TD 18,577' | | 15 | | | | Perforations 9,498'-9,526' |
| | | | 16 | | | | Perforations 9,332'-9,372' |
| | | | 17 | 9,650' | | | Loose 9 5/8" packer. |
| | | | 18 | 9,306' | 9,306 | | 5 1/2" casing set on 9 5/8" pkr @9,306'. 2,930' remaining in well. |
| | | | 19 | 9,306' | 2,930 | | 2,930' of 2 7/8" tubing remaining in well. |
| | | | 20 | | | | 2,930' of 1" steel rods remaining in well. |
| | | | 21 | | | | 50 sx cement plug @ 6,390'. |
| | | | 22 | | | | Perforate @ 5,000', 65 sx cmt. in & out of casing with packer and tag. |
| | | | 23 | | | | Perforate @ 2,195', 65 sx cmt. in & out of casing with packer and tag. |
| | | | 24 | | | | Perforate @975', 65 sx cmt. in & out of casing with packer and tag. |
| | | | 25 | | | | Circulate cement thru parted casing @340' w/250 sx cmt. |

PROPOSED.

Submit 3 Copies To Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources

HOBBS OCD

OIL CONSERVATION DIVISION

JUN 19 2014

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO.

30-025-26557

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
LG 3340

7. Lease Name or Unit Agreement Name

Pawnee Deep Unit

8. Well Number 1

9. OGRID Number
289348

10. Pool name or Wildcat
Bone Spring

SUNDY NOTICE RECEIVED REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator

Heritage Resources, Inc.

3. Address of Operator 3131 McKinney, Avenue, Suite 710
Dallas, Texas 75204

4. Well Location

Unit Letter F : 1650 feet from the North line and 2310 feet from the West line
Section 22 Township 26S Range 36E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

E-PERMITTING - CSNG _____

PERFORM P&A KZ TA _____
TEMPOR COMP _____ NEW WELL _____
PULL OR LOC CHG _____

DN

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. P AND A
CASING/CEMENT JOB

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5/13/14- Spot 50sx Cmt @ 6340' POOH WOC & Tag @ 6338' Spoke w/ Mark RRC advised to spot 50sx more WOC & Tag. RIH w/ Tbg. Tag Cmt @ 6268' POOH

5/20/14- Perf @ 5000' RIH w/ Pkr to 4850' Sqz 75sx Cmt WOC & Tag @ 4785'

5/21/14- @ 2995' Load hole set Pkr & Pump fluid up to 2000 PSI. Did not Sqz down to 2230' Spot 65sx Cmt. POOH w/ Tbg WOC & Tag RIH w/ Tbg Cmt @ 2180' Spot 65sx more @ 2119' WOC & Tag @ 1956'

5/22/14- Perf @ 975' Set Pkr @ 847' Sqz 100sx Cmt WOC & Tag @ 838' POOH w/ Pkr. Pump fluid to backside up to 300 PSI. Advised to RBIH w/ Pkr to 260' Sqz 100sx Cmt. Pump fluid did not get Pres. RIH w/ Tbg. Did not Tag Cmt

5/23/14- 100sx Started pump Cmt Pres. to 1500 PSI. Was able to Sqz 35sx Co. Man advised to Disp to 302' Shut Tbg valve w/ 1000 PSI & SDFD

5/27/14- Perf @ 60' Try Sqz. Did not Inj. RIH w/ Tbg to 230' spot Cmt to Surf. Visual w/ 85sx Cmt. WOC & Tag @ 10'

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Matey Brown

TITLE General Manager

DATE 6.2.14

Type or print name

For State Use Only

E-mail address:

Telephone No.

APPROVED BY: Matey Brown

Conditions of Approval (if any):

TITLE Dist. Supervisor

DATE 6/23/2014

JUN 24 2014

WORKOVER PROCEDURE

PROJECT: Pawnee Deep Unit #1 – Acidize and Jet Tubing

DRILLED & COMPLETED: 11/79 LAST WO: 11/89 – Change Tbg from 3 1/2" to 2 3/8"

LOCATION: 1650' FNL and 2310' FWL, Sec. 22-26S-36E API# 30-025-26557

FIELD: Pawnee (Strawn) COUNTY: Lea STATE: NM

TD: 18,577' PBTD: 15,180' KB: 26'

CASING AND LINER RECORD

| SIZE | WEIGHT | DEPTH | CEMENT | HOLE SIZE | TOC | REMARKS |
|--------------|--------|---------|---------|-----------|-------|-------------------|
| 20" | 94# | 925' | 1700 sx | 26" | surf | Circ |
| 13 3/8" | 61/68# | 4950' | 3800 sx | 17 1/2" | surf | Circ |
| 9 5/8" | 47# | 11,854' | 2425 sx | 12 1/4" | 5800' | By TS |
| 7 3/4" Liner | 46.1# | 16,504' | 700 sx | 8 1/2" | | Liner top 11,561' |

Producing formation: Strawn (12,505' – 13,196') w/21 – 0.29" holes

Tubing: See Attached Schematic
(NOTE: One 3 1/2", 12.95# C-75 PH-6-CB Hydril Tbg as top jt)

Note: Tight spot at 9393'. Could not broach w/ 1.89 pineapple broach.
2.31" Model F Nipple w/ FSP Blanking plug in place at 12,324'.
Tbg perforated 12,320' – 12,324' w/ 12 – 0.43" holes
CIBP set at 15,190' w/ 10' cmt cap. OH f(16,504' – 18,577').
Cmt plugs spotted at (18,035' – 18,535'), (17,000' – 17,500') and (15,550' – 16,550').

PROCEDURE

- Run acid compatibilities on produced fluids.
 - Use 2% KCl for all water pumped into the well.
 - Install 500 bbl frac tank and flow line prior to workover.
1. MIRU CTU. RU BOP's and CT Packoff.
 2. RIH w/ 1 1/4" CT and 1 11/16" gauge ring to the 2.31" FSP blanking plug @ 12,324'.
 3. POH w/ CT.
 4. RU Wireline. RIH w/ 1 11/16" jet cutter and cut tbg at +/- 12,324'. Tag "F" plug to see if tubing is cut. Repeat as needed. POH w/ WL. RD WL.
 5. RIH w/ 1 1/4" CT to 13,196'. Spot acid across Strawn perfs 12,505' – 13,196'. PUH +/- 100'. SI CT annulus. Pump 2000 gal 15% AS acid at +/- 1 BPM using 200 – 300 scf/bbl N₂. Flush to btm perf w/ 2% KCl and 200 – 300 scf/bbl N₂. Record injection rates and ISIP.
 6. Open CT annulus and flow back load if possible.
 7. PUH to +/- 5000'.
 8. Start N₂ injection at +/- 200 – 300 SCF per minute.
 9. FIH to 13,200', adjusting N₂ flowrate as needed to jet fluid from well.
 10. POOH w/ CT. RD CTU.
 11. Flow well back to frac tank to recover load and clean up.
 12. Return well to production. Monitor tests and flowing pressures.



al Purpose Worksheet

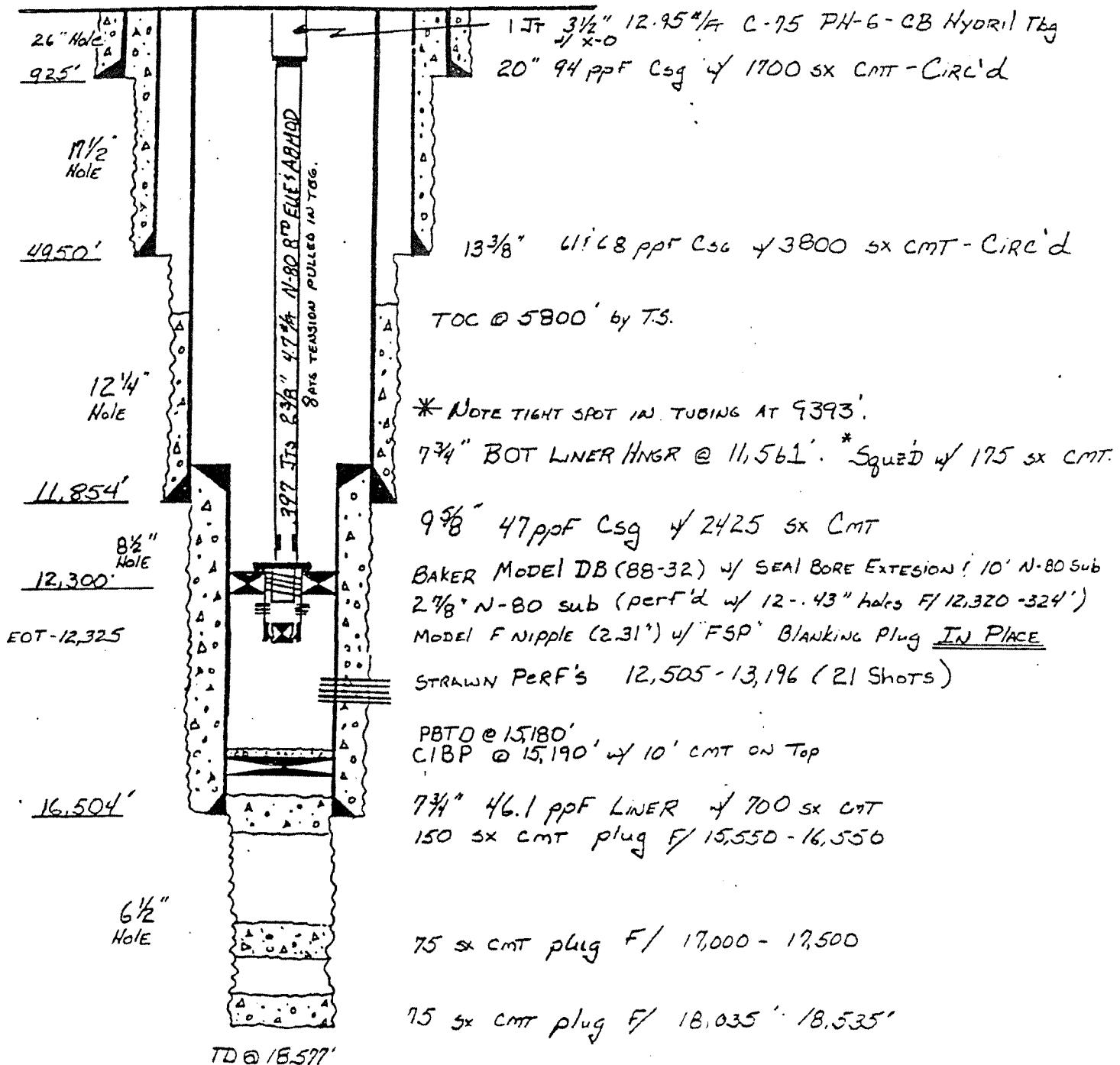
PAWNEE DEEP UNIT #1
PAWNEE FIELD (STRAWN)

Page No. 1 of 2
By DE Kelly Date May 29, 91
T SAGER 8/17/00

PRESENT STATUS

G.L. @ 2909

KB @ 2935'



(NOTE DETAILED TH. SCHEMATIC ON FOLLOWING PAGE)

| | |
|------------------------|--|
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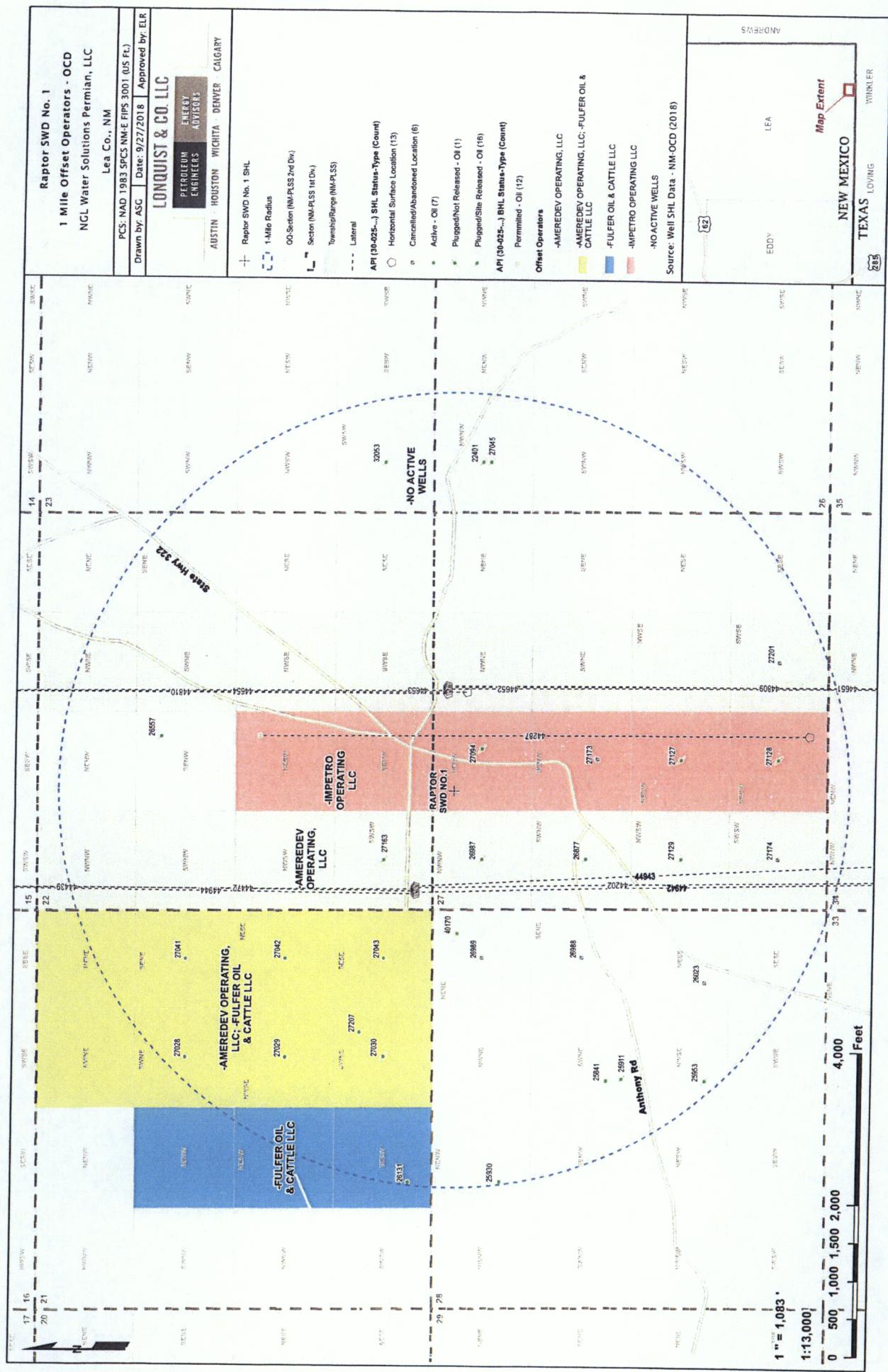
Form C-105
Revised 4-1-88

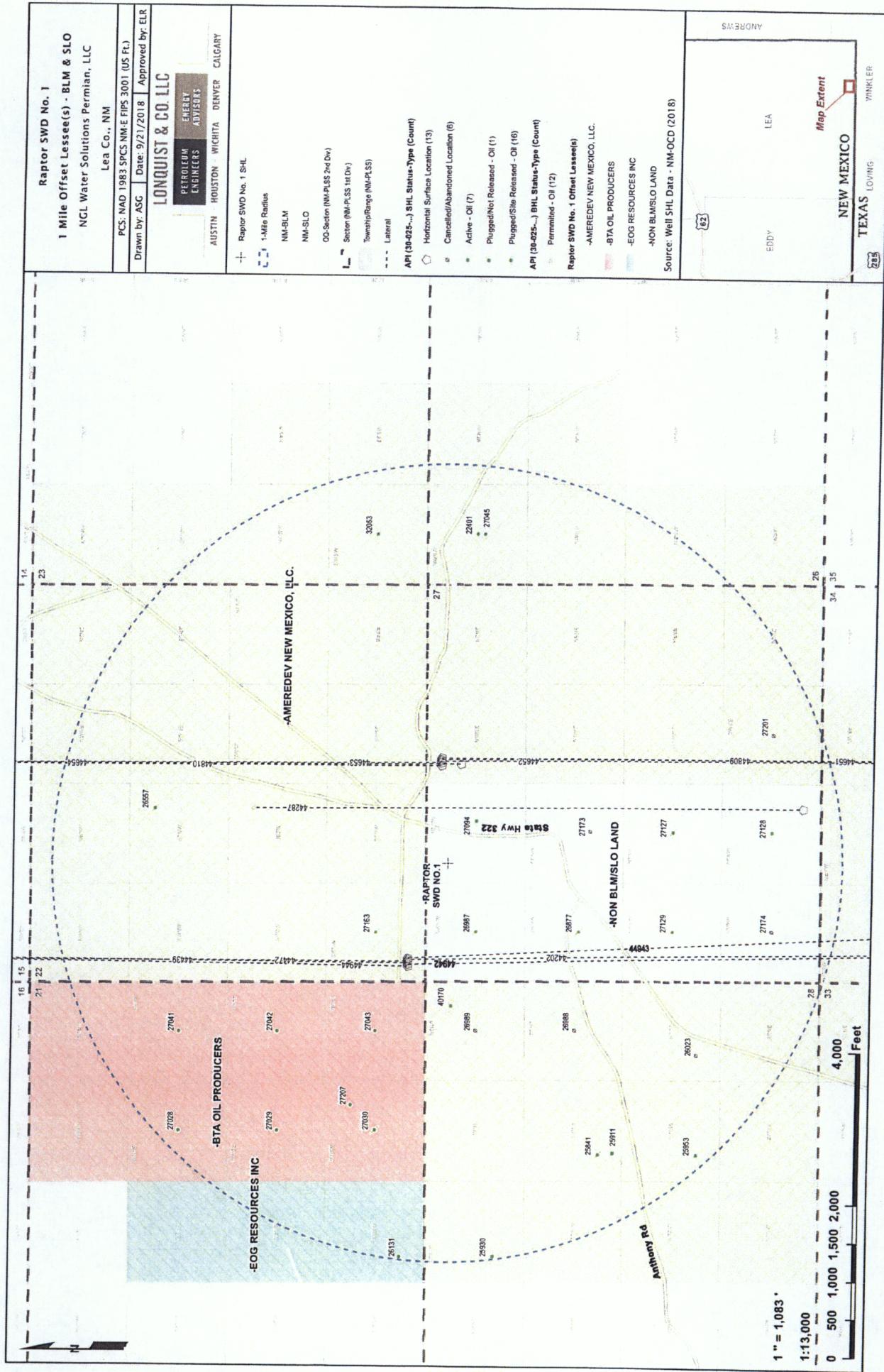
NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| |
|--|
| 5a. In lease? Type of Lease |
| State <input checked="" type="checkbox"/> Fed <input type="checkbox"/> |
| S. & H. Oil & Gas License No. |
| LG - 3340 |

| | | | | | | | |
|---|---|--|---|--|---------------------|----------------------|-----------------------------------|
| 1c. TYPE OF WELL | | 7. Unit Agreement Name | | | | | |
| OIL WELL <input type="checkbox"/> | CAS WELL <input checked="" type="checkbox"/> | DRY <input type="checkbox"/> | OTHER _____ | | | | |
| NEW WELL <input checked="" type="checkbox"/> | WORK OVER <input type="checkbox"/> | DEEPEN <input type="checkbox"/> | PLUG BACK <input type="checkbox"/> DIFF. RESV. <input type="checkbox"/> OTHER _____ | | | | |
| 2. Name of Operator | | 8. Farm or Lease Name | | | | | |
| Gifford, Mitchell & Wisenbaker | | White Eagle | | | | | |
| 3. Address of Operator | | 9. Well No. | | | | | |
| 1280 Midland National Bank Tower Midland, Texas 79701 | | I | | | | | |
| 4. Location of Well | | 10. Field and Pool, or Wildcat | | | | | |
| UNIT LETTER F LOCATED 1650 FEET FROM THE North LINE AND 2310 FEET FROM | | | Wildcat | | | | |
| THE West LINE OF SEC. 22 Twp. 26-S Rge. 36-E N.M.P.M. | | | 11. County Lea | | | | |
| 15. Date Spudded 11/25/79 | 16. Date T.D. Reached 3/28/80 | 17. Date Compl. (Ready to Prod.) 4/18/80 | 18. Elevations (BL, RKB, RT, GR, etc.) GR 2910 | | | | |
| 19. Elev. Casinghead 2908 | | | | | | | |
| 20. Total Depth 18,577 | 21. Plug Back T.D. 15,180 | 22. If Multiple Compl., How Many | 23. Intervals Drilled By Rotary Tools All | | | | |
| 24. Producing Interval(s), of this completion - Top, Bottom, Name 12,505' - 13,196' (Strawn) | | | 25. Was Directional Survey Made yes (dipmeter) | | | | |
| 26. Type Electric and Other Logs Run Dual Laterolog & Comp. Neutron Density | | | 27. Was Well Cored No | | | | |
| 28. Casing Record (Report all strings set in well) | | | | | | | |
| CASING SIZE | WEIGHT LBS./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | | AMOUNT PULLED | |
| 20" | 94 | 925' | 26" | 1700 SX | | | |
| 13 3/8" | 61 & 68 | 4950' | 17-1/2" | 3800 SX | | | |
| 9 5/8" | 47 | 11854' | 12-1/4" | 2425 SX | | | |
| 29. LINER RECORD | | | | 30. TUBING RECORD | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
| 7-3/4" | 11,561 | 16,504 | 875 | | 3-1/2 | 12,300 | 12,300 |
| 31. Perforation Record (Interval, size and number) 21 holes (0.29") from 12,505 to 13,196 | | | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 12,505 - 13,196 5000 gals. of 15% HCl acid | | | |
| 33. PRODUCTION | | | | | | | |
| Date First Production 4/18/80 | Production Method (Flowing, gas lift, pumping - Size and type pump) | | | Well Status (Prod. or Shut-in) shut-in (WO pipeline) | | | |
| Date of Test 4/21/80 | Hours Tested 1 | Choke Size 15/64 | Prod. Per Test Period | Oil - bbl. 7.88 | Gas - MCF 214.25 | Water - bbl. 0.87 | Gas-Oil Ratio 27.9 MCF/bbl. |
| Flow Test: 4790 pkr. | Choke Pressure | Choke setting Hour Rate | | Gas - MCF | Water - bbl. | | Oil Gravity - API (Corr.) 47.7 |
| 34. Disposition of Gas (Sold, used for fuel, vented, etc.) well shut in - waiting on pipeline connection | | | | Test Witnessed by Delton Shirley | | | |
| 35. List of Attachments One copy of each elec. log and deviation survey | | | | | | | |
| 36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief. | | | | | | | |
| SIGNED <i>D. B. Stitt</i> | TITLE Production Engineer | DATE 4/29/80 | | | | | |

57





| Raptor SWD #1: Offsetting Produced Water Analysis | | | | | | | | | | | | | | |
|---|------------|--------|----------------------|-----|-----------|--------------|---------------|------------|-----------------|-----------------|-------------------|----------------|---------------|-----------|
| wellname | api | county | formation | ph | tds, mg/L | sodium, mg/L | calcium, mg/L | iron, mg/L | magnesium, mg/L | manganese, mg/L | bicarbonate, mg/L | chloride, mg/L | sulfate, mg/L | co2, mg/L |
| BELL LAKE UNIT #009 | 3002520261 | LEA | BONE SPRING | 5.6 | 204652 | 9140 | 40.4 | 1023 | 1.1 | 1300000 | 512 | 260 | | |
| THISTLE UNIT #071H | 3002542425 | Lea | BONE SPRING 1ST SAND | 6.3 | 171476 | 55363.2 | 76378 | 6238 | 11 | 104576.4 | 244 | 560 | 770 | |
| BELL LAKE 19 STATE #004H | 3002541517 | Lea | BONE SPRING 2ND SAND | 6.7 | | 59599 | 7326 | 11 | 942 | 0 | 131397 | 159 | 670 | 200 |
| BELL LAKE 19 STATE #003H | 3002541516 | Lea | BONE SPRING 2ND SAND | 6.7 | | 31066 | 31956 | 10 | 394 | 0.69 | 108190 | 171 | 680 | 230 |
| SALADO DRAW #001H | 3002541293 | Lea | BONE SPRING 3RD SAND | 6.7 | 95604 | 3289 | 0.3 | 474.5 | 0.5 | 59071 | 183 | 0 | 100 | |
| SALADO DRAW 6 FEDERAL #001H | 3002541293 | Lea | BONE SPRING 3RD SAND | 7 | | 0 | | | | | | | | |
| PRONGHORN AHO FEDERAL #001 | 3002526486 | LEA | STRAWN | 5.5 | | 20.1 | 0 | 12.2 | 0.38 | | 219.6 | | 300 | |
| SNAPPING 2 STATE #014H | 3001542688 | EDDY | WOLFCAMP | 7.3 | 81366.4 | 26319.4 | 26874 | 326.7 | | 35.5 | 61.1 | 48.8 | | |
| | | | | | | | | | | | 399.7 | | | 100 |



Beckham Ranch
Proposed SWD Locations
Lea County, NM

1) RAPTOR

LAT: -103.256445
LONG: 32.020563
X: 875094.030144
Y: 372882.759874

Coordinate System
NMSP-E (NAD83)

Lea County, New Mexico

J-00038-POD1
-103.263611
32.021687
J-00038-POD1
-103.263611
32.021687
J-00025-POD2
-103.263611
32.021687
J-00025-POD2
-103.263611
32.021687

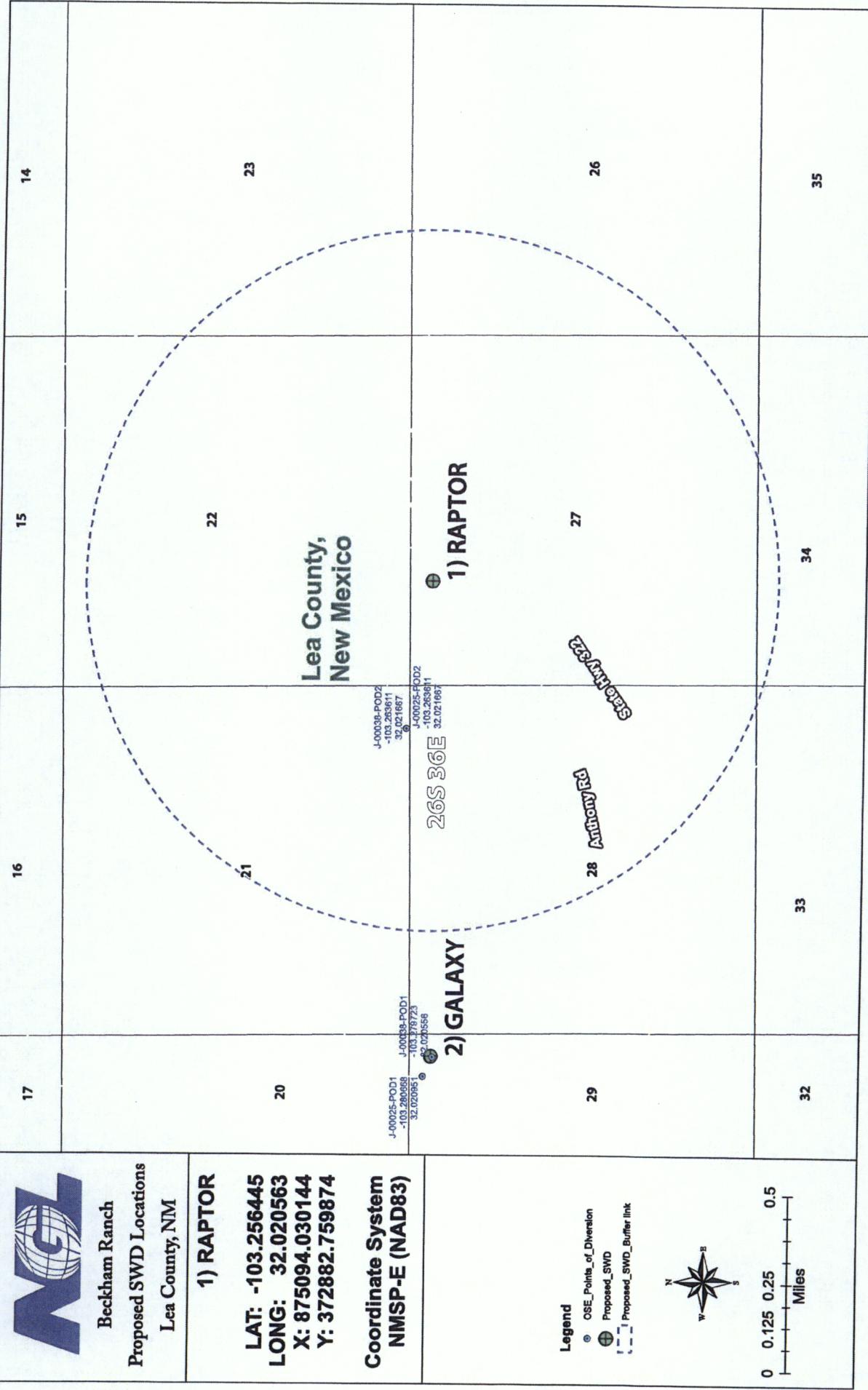
2) GALAXY



Legend
● OSE_Points_of_Division
● Proposed_SWD
- - - Proposed_SWD_Buffer link



0 0.125 0.25 0.5
Miles





New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

| Well Tag | POD Number | Q64 | Q16 | Q4 | Sec | Tws | Rng | X | Y |
|----------|------------|-----|-----|----|-----|-----|-----|--------|---------|
| J | 00025 POD2 | 3 | 4 | 4 | 21 | 26S | 36E | 663984 | 3544155 |

Driller License: 331 Driller Company: SBQ2, LLC DBA STEWART BROTHERS DRILLING
CO.

Driller Name: BRUNSON, WILLIAM

Drill Start Date: 03/16/2017 Drill Finish Date: 04/03/2017 Plug Date:

Log File Date: 04/07/2017 PCW Rcv Date: Source: Artesian

Pump Type: Pipe Discharge Size: Estimated Yield:

Casing Size: 12.00 Depth Well: 800 feet Depth Water:

| Casing Perforations: | Top | Bottom |
|----------------------|-----|--------|
| | 287 | 800 |

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