

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED OCD

APPLICATION OF KC RESOURCES, INC. 2017 AUG 28 P 4: 21
OF A PRESSURE MAINTENANCE
PROJECT IN, EDDY COUNTY, NEW MEXICO.

Case No. 14907

APPLICATION FOR LEASE PRESSURE MAINTENANCE

KC Resources Inc., by and through its undersigned attorney, applies for an order approving lease pressure maintenance, and in support thereof, states:

1. Applicant seeks approval to institute a lease pressure maintenance project through its Jones D No. 5 located in; Unit L, Section 18, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant intends to inject produced water into the San Andres formation through its Jones D No. 5 well located 2310 FSL and 330 FWL, Unit L, Section 18, Township 18 South, Range 27 East, N.M.P.M., Lea County, New Mexico, at a depth of 1,779 feet to 1,934 feet (perforated).

4. A form C-108 for the well is attached hereto as Exhibit A.

5. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

A handwritten signature in black ink, appearing to read "Ernest L. Padilla", is positioned above a horizontal line.

ERNEST L. PADILLA,
Attorney for KC Resources, Inc.
PO Box 2523
Santa Fe, New Mexico 87504
505-988-7577

EXHIBIT A

Case 14907

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: HC Resources

ADDRESS: P.O. Box 1749 Snowmass Village, CO 81615

CONTACT PARTY: Elizabeth Kramer PHONE: (970) 927-7064

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 X 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: Elizabeth Kramer TITLE: Petroleum Engineer

SIGNATURE: [Signature] DATE: _____

E-MAIL ADDRESS: ekramer@crystalriveroil.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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: KC Resources

WELL NAME & NUMBER: JONES D No. 5

WELL LOCATION: 2310 FSL 330 FWL L S18 T18S R27E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8"

Cemented with: 500 sx. or ft³

Top of Cement: Surface Method Determined: circulated

Intermediate Casing

Hole Size: Casing Size:

Cemented with: sx. or ft³

Top of Cement: Method Determined:

Production Casing

Hole Size: Casing Size: 5 1/2"

Cemented with: 400 sx. or ft³

Top of Cement: Surface Method Determined: circulated

Total Depth: 1963

Injection Interval

1779 feet to 1934

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" Lining Material: Plastic Coated
Type of Packer: _____
Packer Setting Depth: 1679
Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No
If no, for what purpose was the well originally drilled? This well was originally
drilled for production
2. Name of the Injection Formation: San Andres
3. Name of Field or Pool (if applicable): Atoka
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
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____



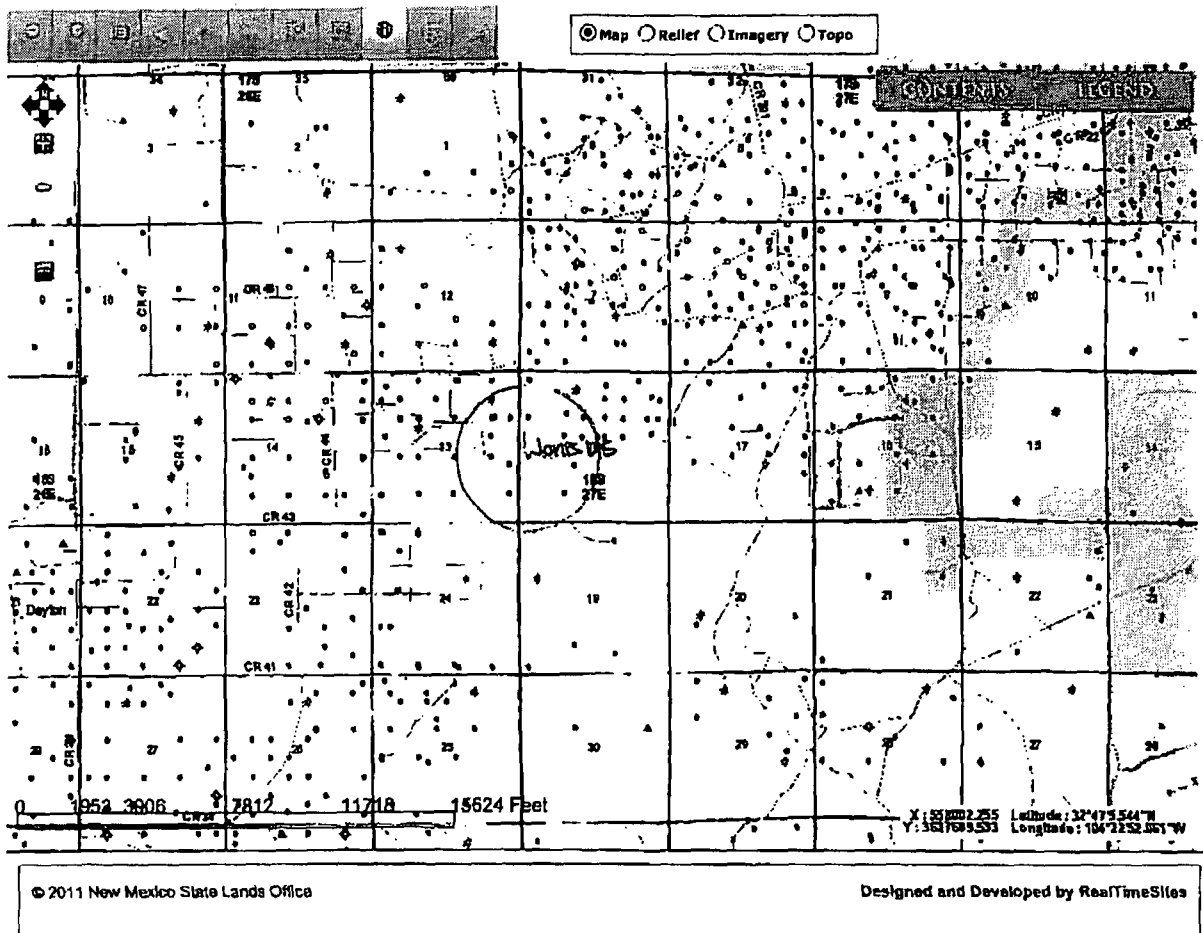
NEW MEXICO
STATE LAND OFFICE

[Home](#) [About the Department](#) [Employees Access](#) [Contact](#)

Contact Us: (505) 827-5760

[DIVISIONS](#) [RESOURCES](#) [MEDIA AND EVENTS](#) [TRUST STEWARDSHIP](#) [CITIZENS CORNER](#) [OIL MAP](#)

Oil and Gas, Minerals Map Service

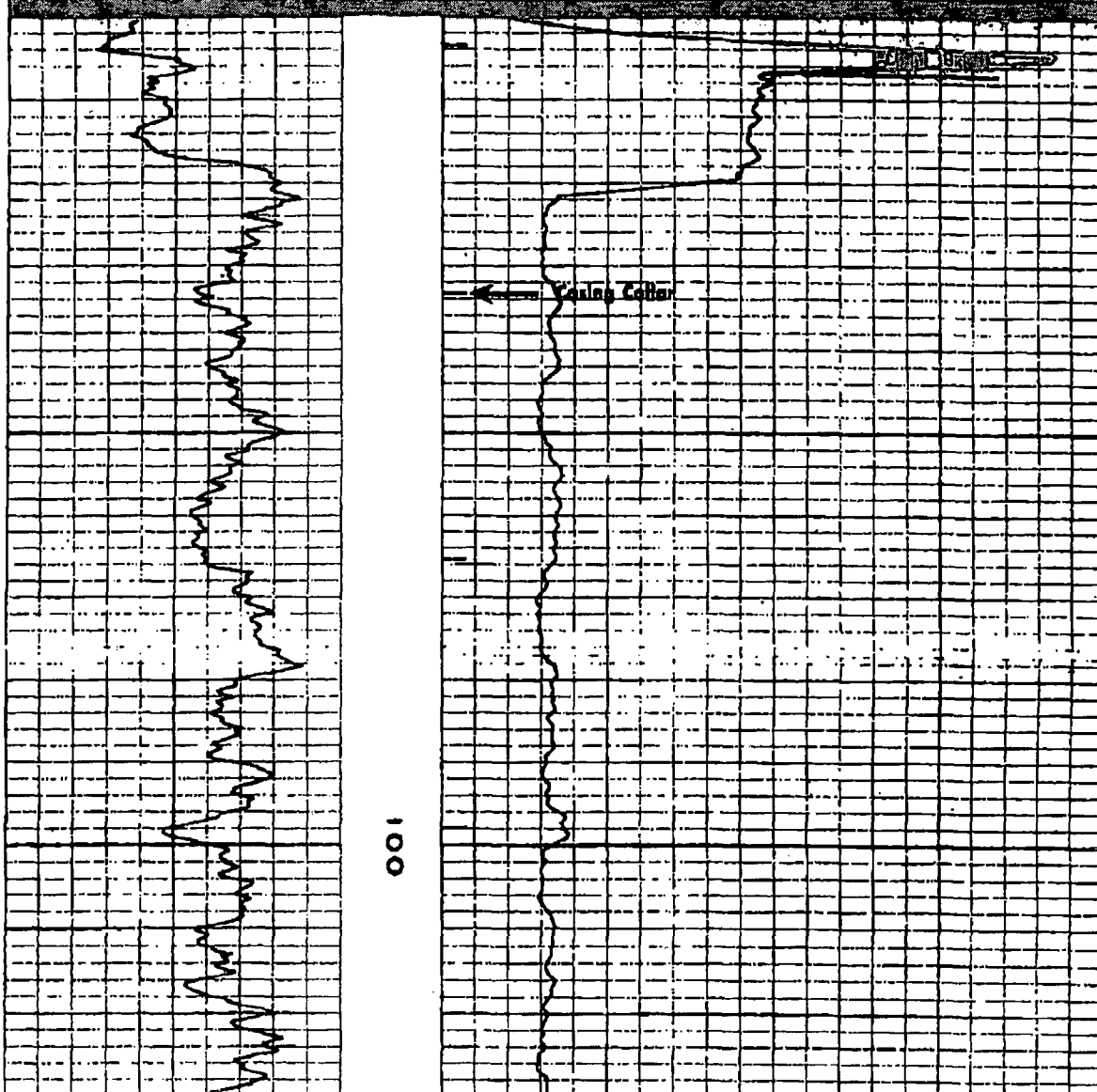


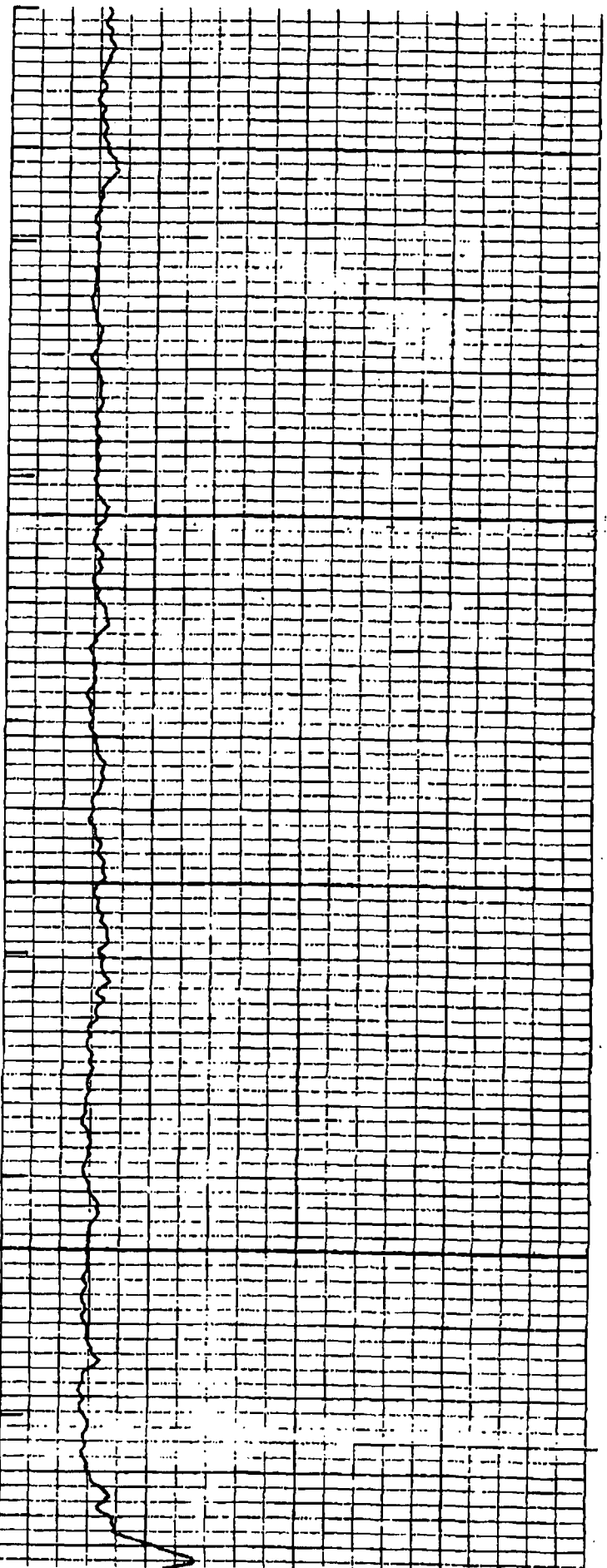
VI

Wells within 1/2 mile radius of the Jones D5							
Well Name	API	Well Type	Depth	Operator	Location		Date Drilled
Huggins Trust Inc Com	3001521707	Gas	9342	Limerock Resources	18S-26E-13	990 N 990 E	4/1/2007
Jones D1	3001500192	Oil	1850	KC Resources	18S-26E-13	1650 N 990 E	8/31/1958
Jones D7	3001540306	Oil	1910	KC Resources	18S-26E-13	1650 N 330 E	5/21/2012
Jones D6	3001540091	Oil	1901	KC Resources	18S-26E-13	2310 N 990 E	4/1/2012
Jones D2	3001520375	Oil	1976	KC Resources	18S-26E-13	2310 S 990 E	2/8/1971
Osprey 13 002H	3001536733	Oil	2030	Devon Energy	18S-26E-13	2030 S 330 E	
Waldrop 13 P FEE 001	3001539429	Oil	4288	Limerock Resources	18S-26E-13	990 S 330 E	1/25/2012
Jones D4	3001520420	Oil	1965	KC Resources	18S-27E-18	1650 N 330 W	4/23/1971
Kaiser B 18 F 008	3001534630	Oil	3504	Limerock Resources	18S-27E-18	1500 N 1725 W	7/30/2006
Kaiser B 005	3001530131	Oil	2300	Limerock Resources	18S-27E-18	1650 N 2310 W	7/9/1998
Kaiser B 006	3001530132	Oil	3198	Limerock Resources	18S-27E-18	2310 N 1650 W	12/13/1998
Kaiser B 18 F 007	3001534176	Oil	3500	Limerock Resources	18S-27E-18	2310 N 2310 W	7/25/2005
Jones D5	3001520421	Oil	1980	KC Resources	18S-27E-18	2310 S 330 W	5/18/1971
Pre-Ongard Well	3001521356	Oil	1980	Pre-Ongard Well Ope	18S-27E-18	1980 S 1980 W	1/1/1900
Pre-Ongard Well	3001500922	Oil	1650	Pre-Ongard Well Ope	18S-27E-18	990 S 1650 W	1/1/1900

Plugged
Plugged

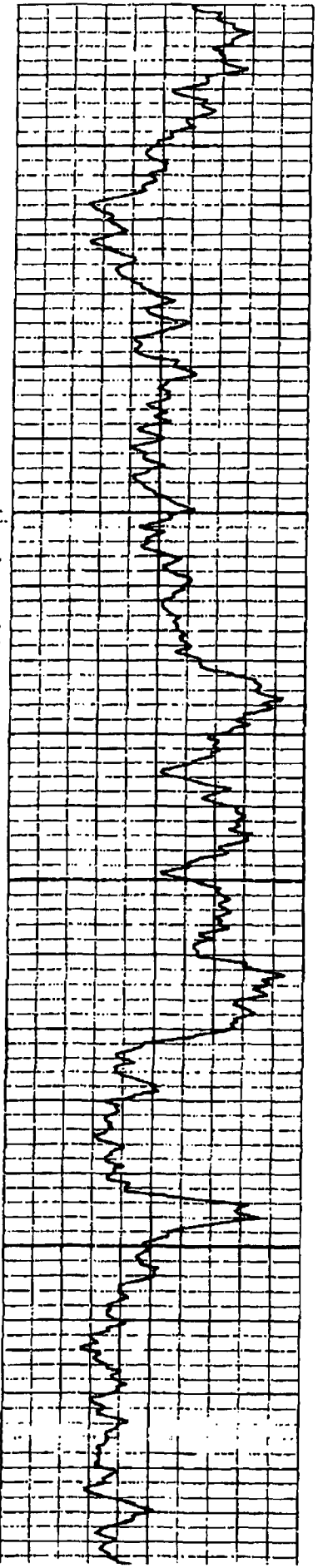
GAMMA RAY API UNITS	DEPTH	NEUTRON API UNITS
<div> <div></div> <div>RADIATION INTENSITY INCREASES</div> </div> <div> <div>6 API/CD</div> <div>18 API</div> <div>78 API</div> </div>	<div>5"=100'</div> <div>LR</div> <div>SURF.</div>	<div> <div></div> <div>RADIATION INTENSITY INCREASES</div> </div> <div> <div>125 API/CD</div> <div>0 API</div> <div>2500 API</div> </div>

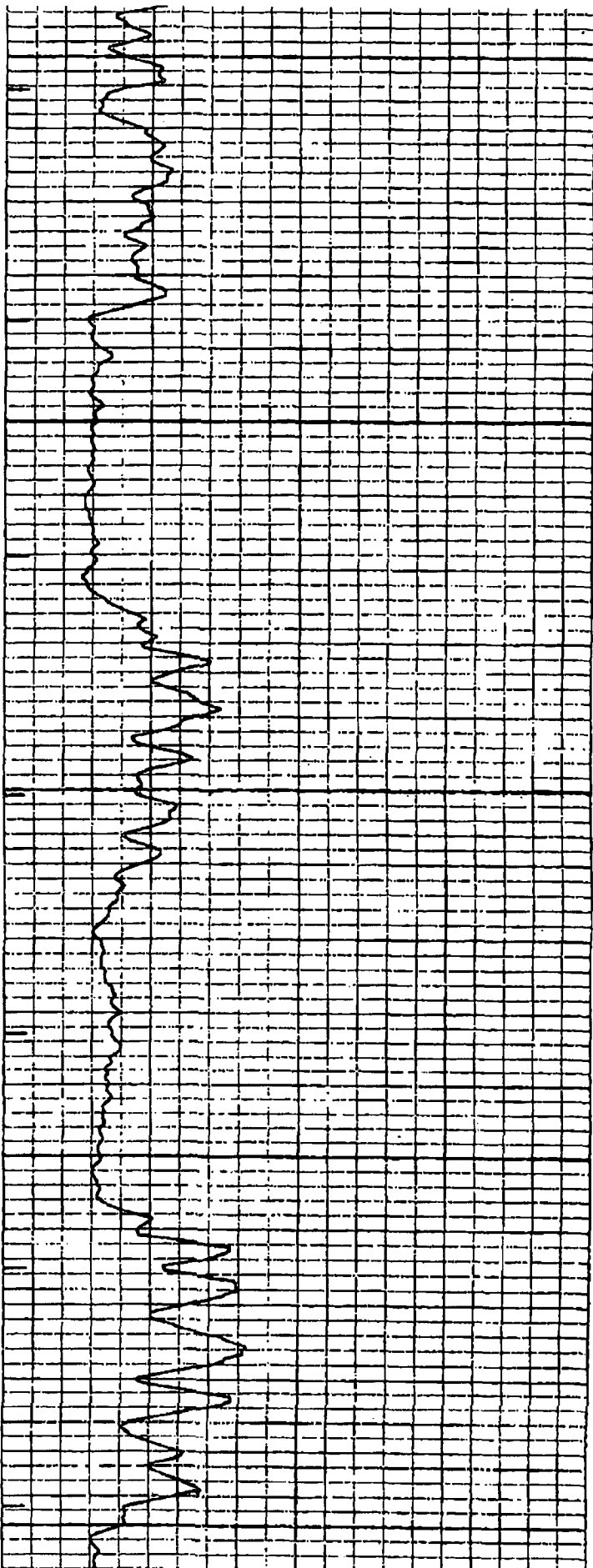




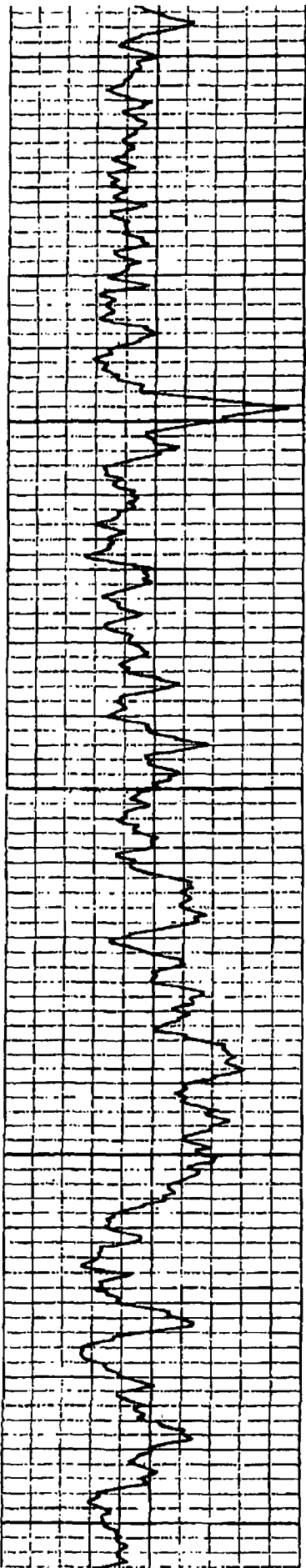
200

300

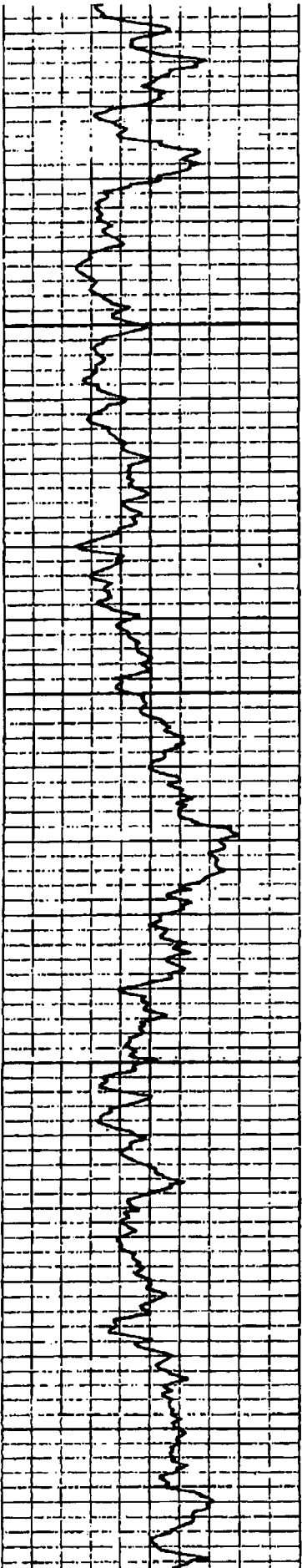




400

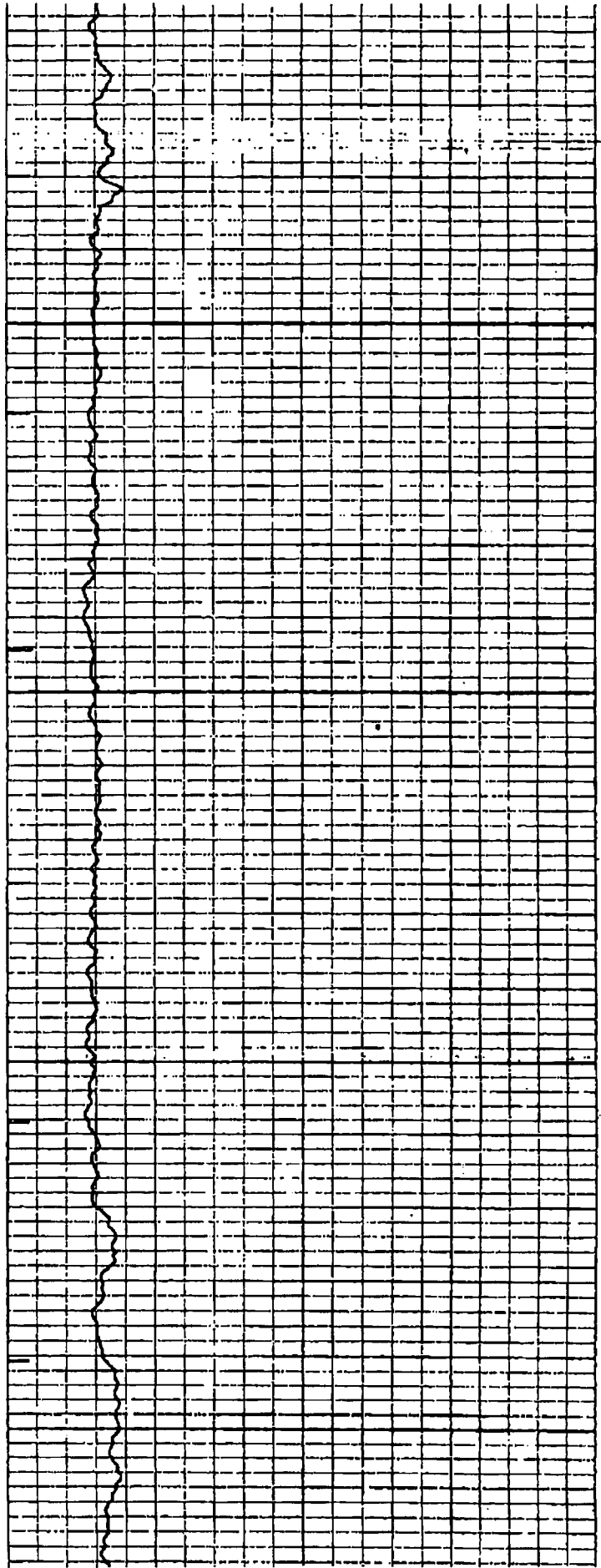


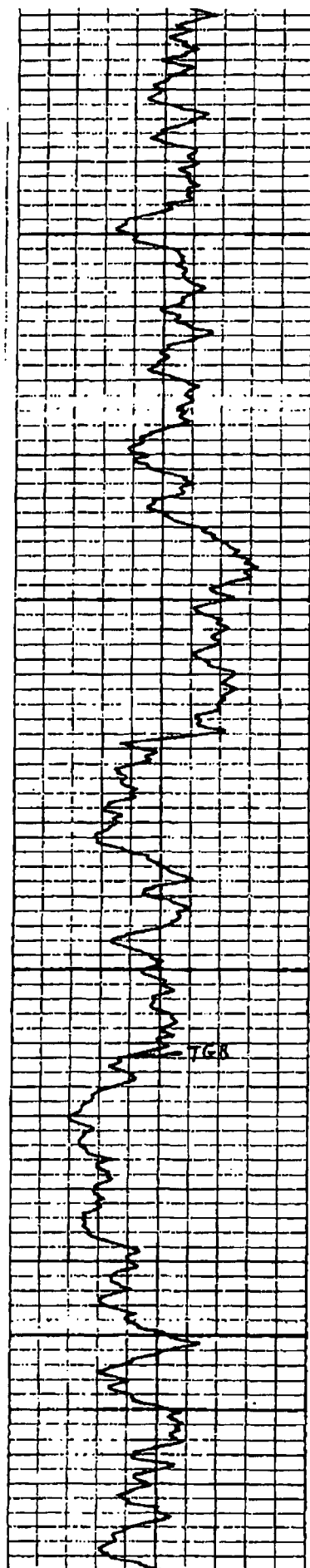
500



600

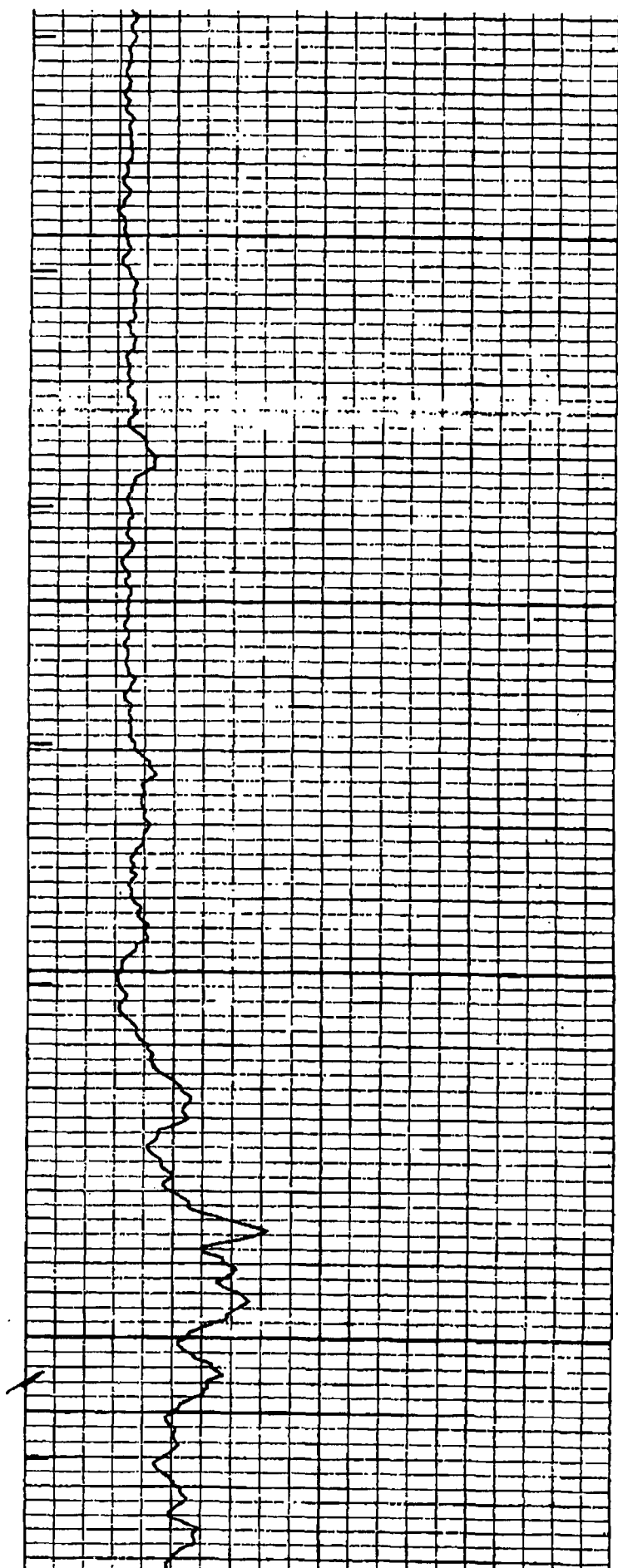
700

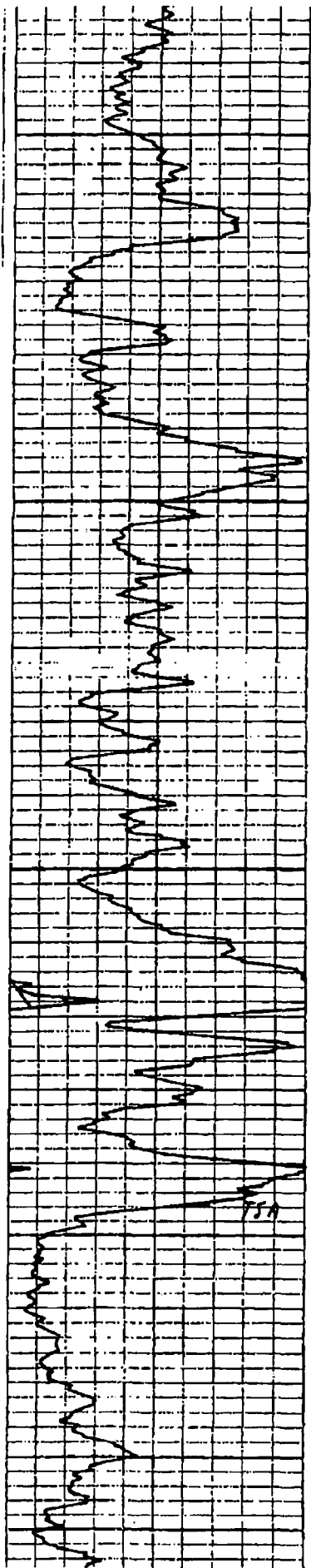
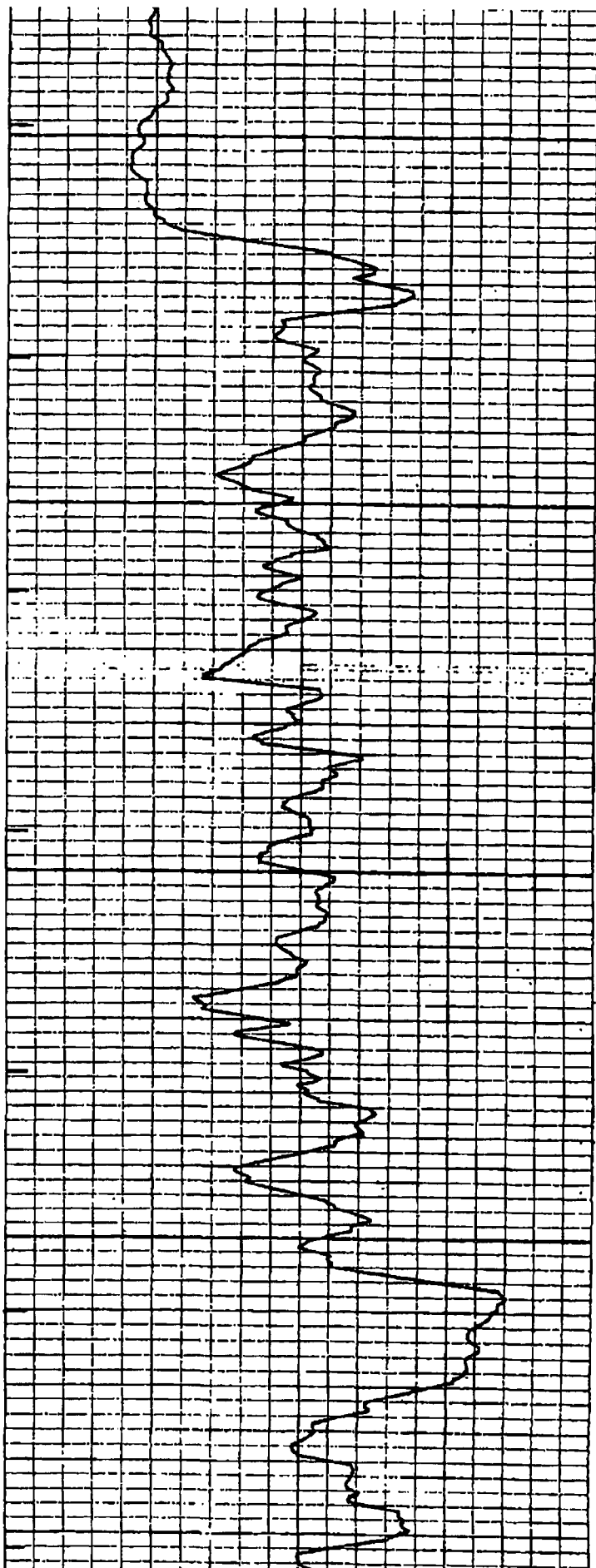


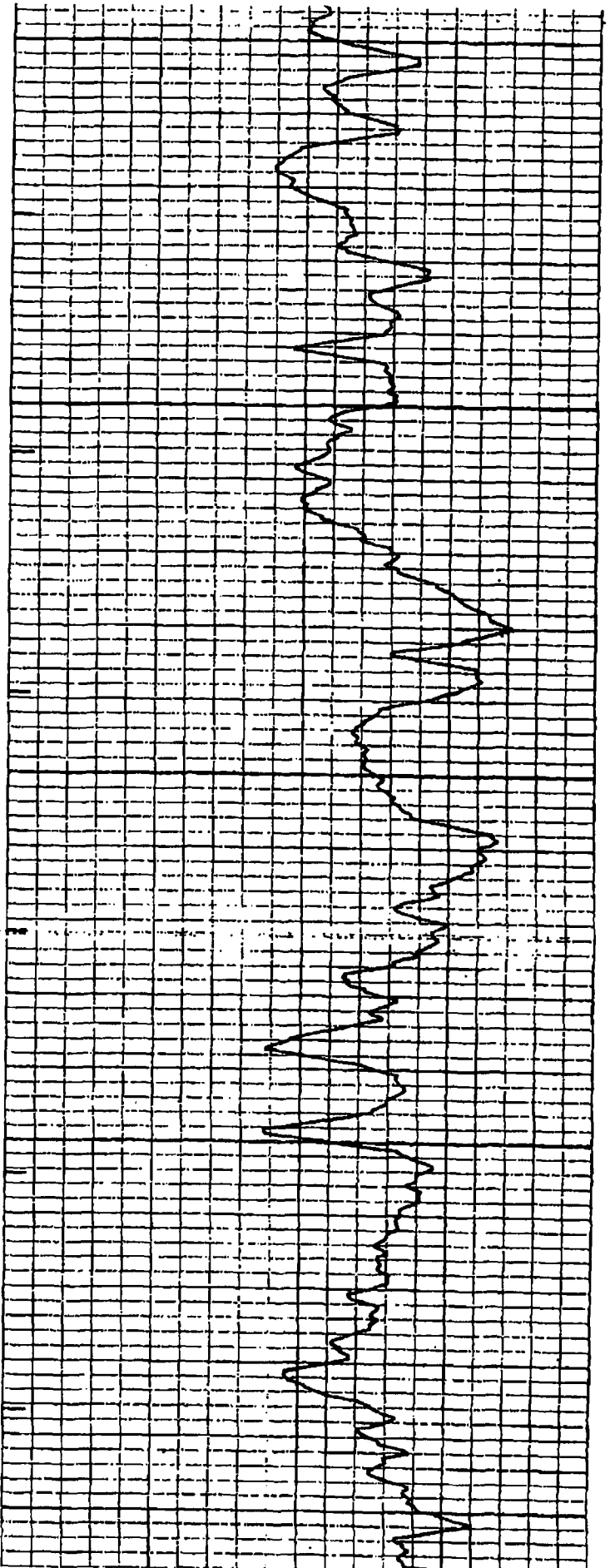


006

008



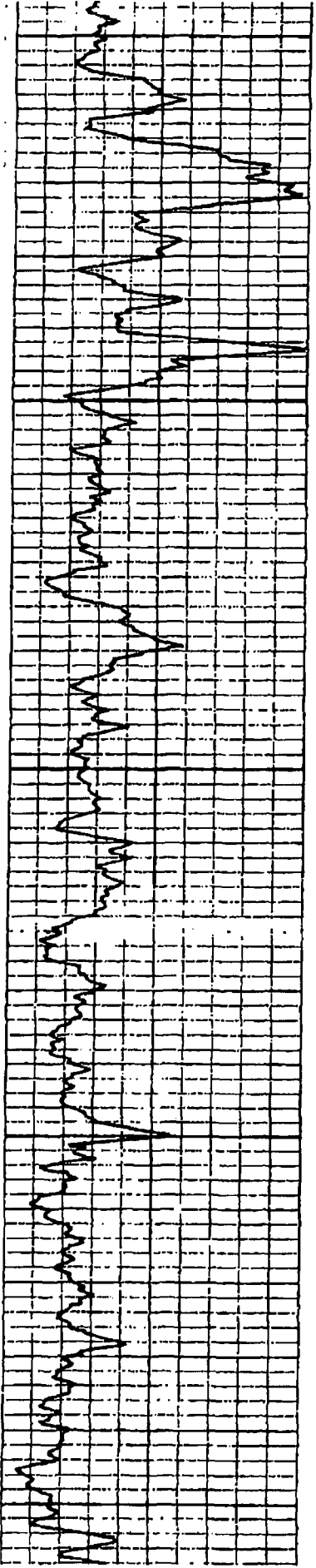


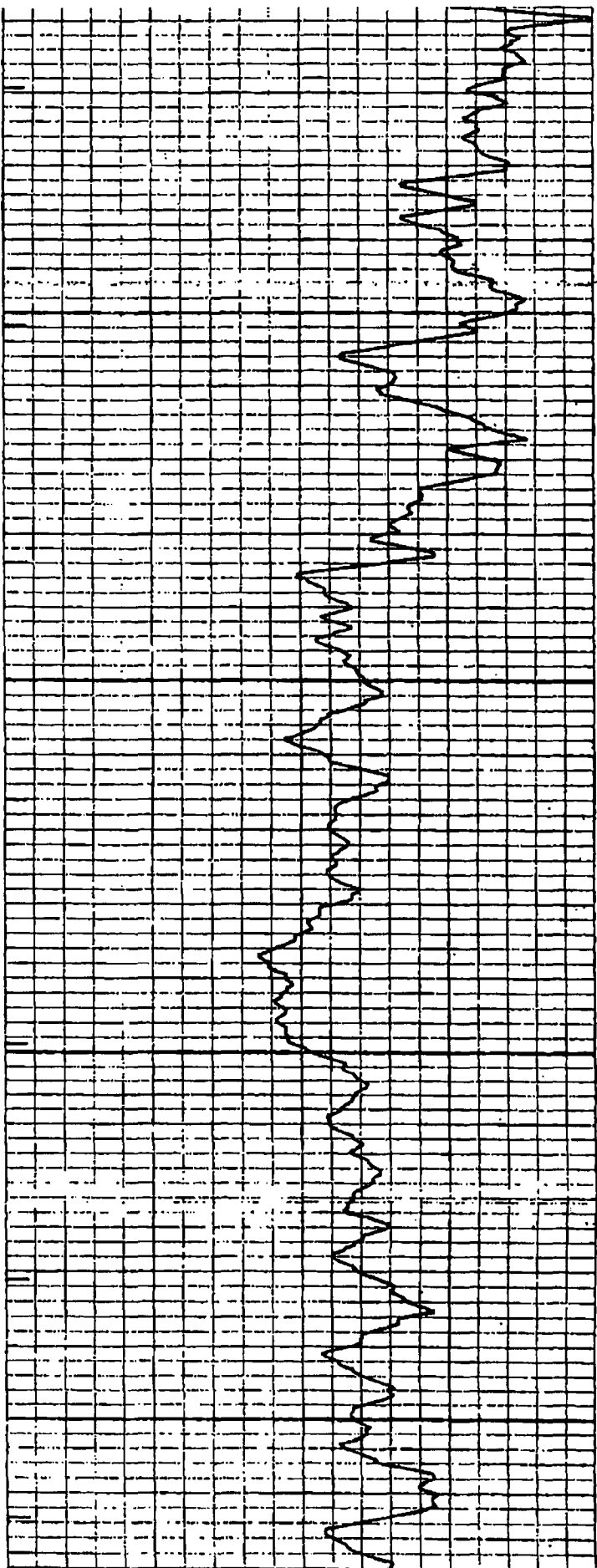


1200

1300

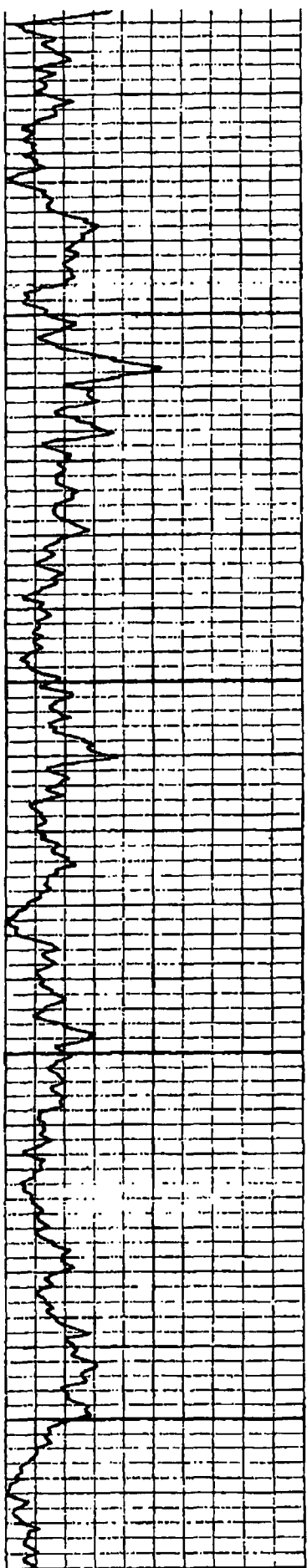
1400

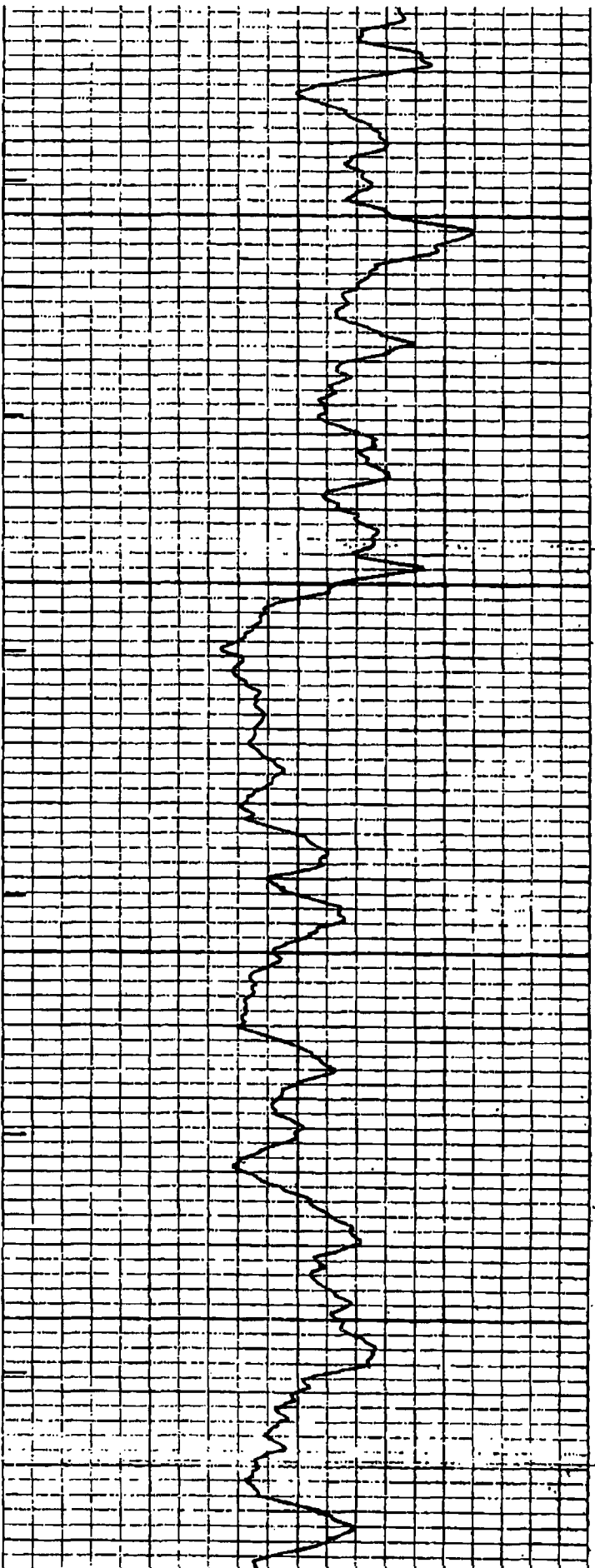




1500

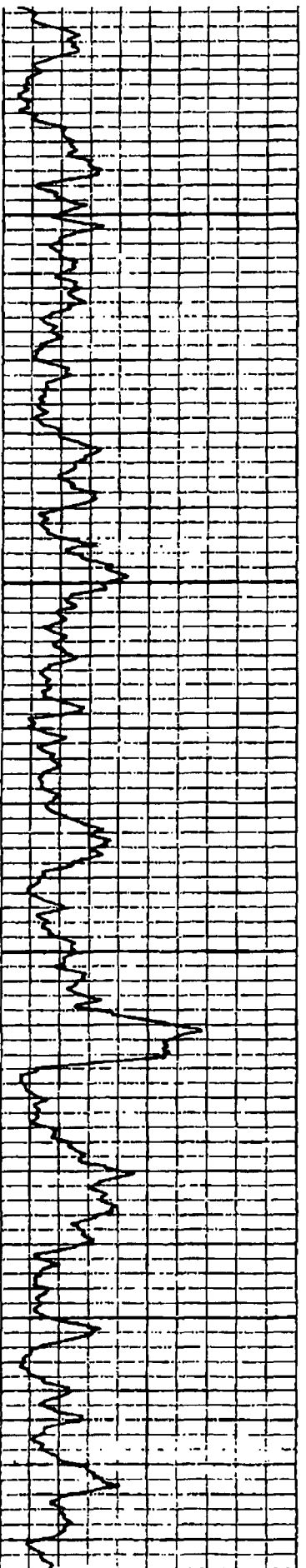
1900

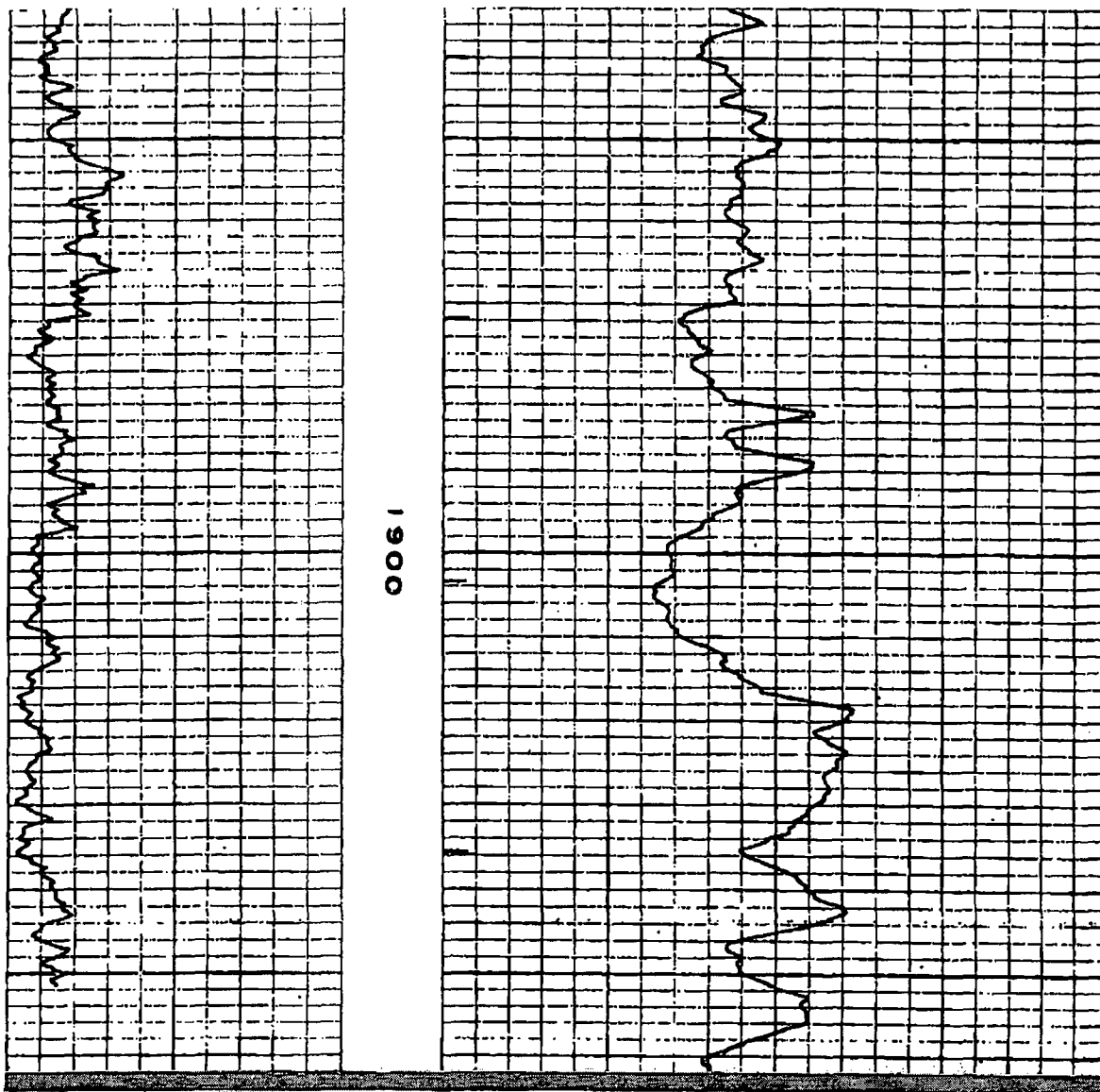




1700

1800



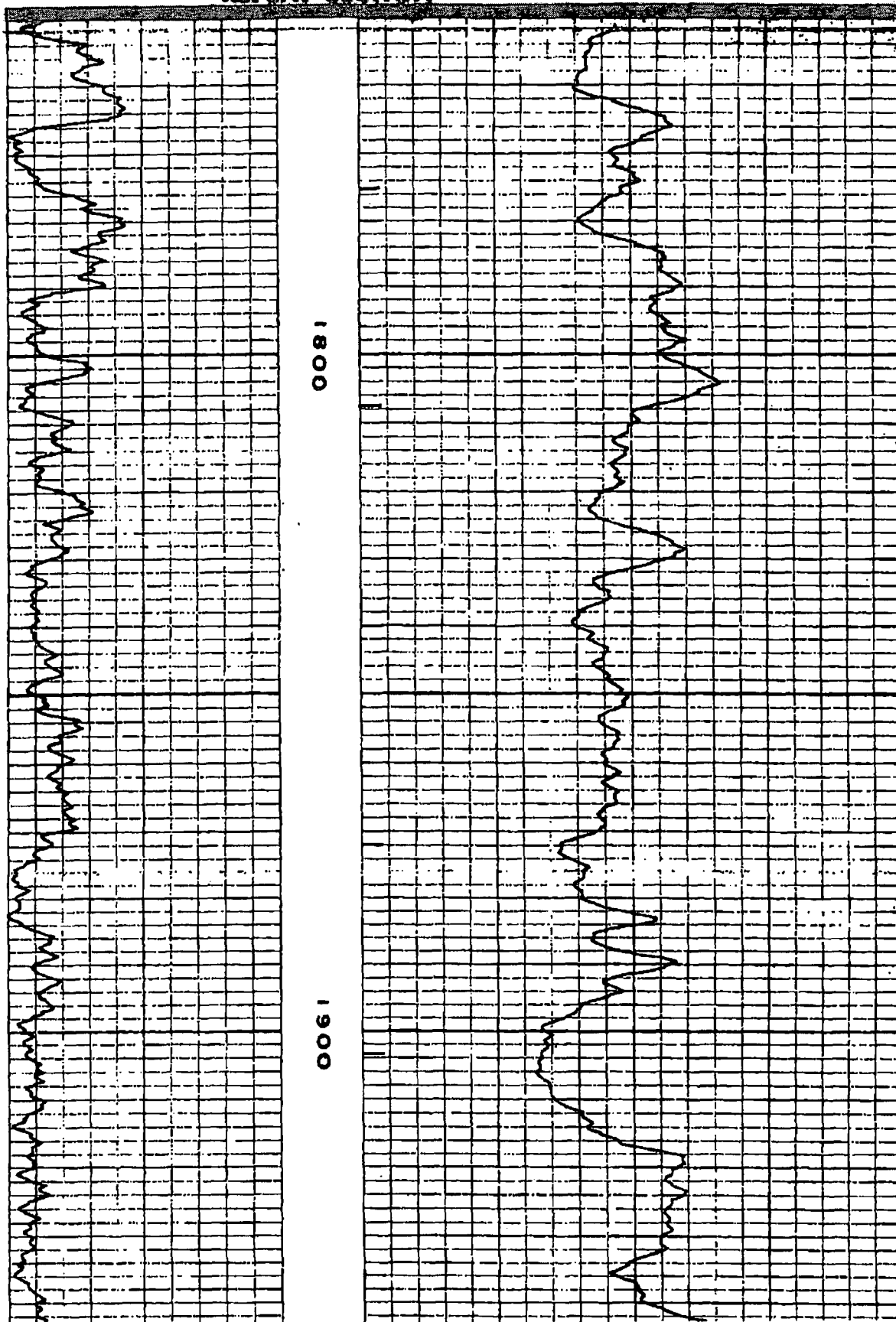


<div>8 API78 API</div> <div>6 API/CD</div> <div><div></div></div> <div>RADIATION INTENSITY INCREASES</div>		<div>0 API2500 API</div> <div>125 API/CD</div> <div><div></div></div> <div>RADIATION INTENSITY INCREASES</div>	
GAMMA RAY API UNITS		DEPTH	NEUTRON API UNITS
Company	KEWANEE OIL COMPANY	Drillers T.D.	1950'
Well	JONES "D" NO. 5	Log F.R.	1962'
Field	UNDESIGNATED	Log T.D.	1963'

County EDDY
State NEW MEXICO

Elevations:
K.B. D.F. G.L. 3285'

REPEAT SECTION



STATISTICAL CHECK

@ 1747'
T.C. = 2

@ 1759'
T.C. = 2

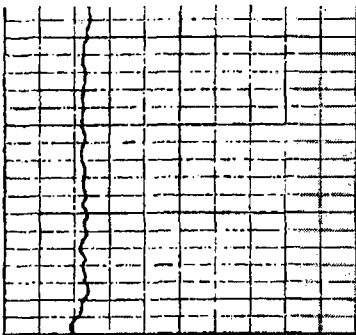
CALIBRATION

G/R LOG CALIBRATION
AFTER LOG

API UNITS OF CALIB. STD.	206
SENSITIVITY READING	250
MULTIPLIER	X1
ZERO SUPPRESSION	0
TIME CONSTANT	4
MEASURED CHART DIVISIONS	10.5

G/R LOG CALIBRATION
BEFORE LOG

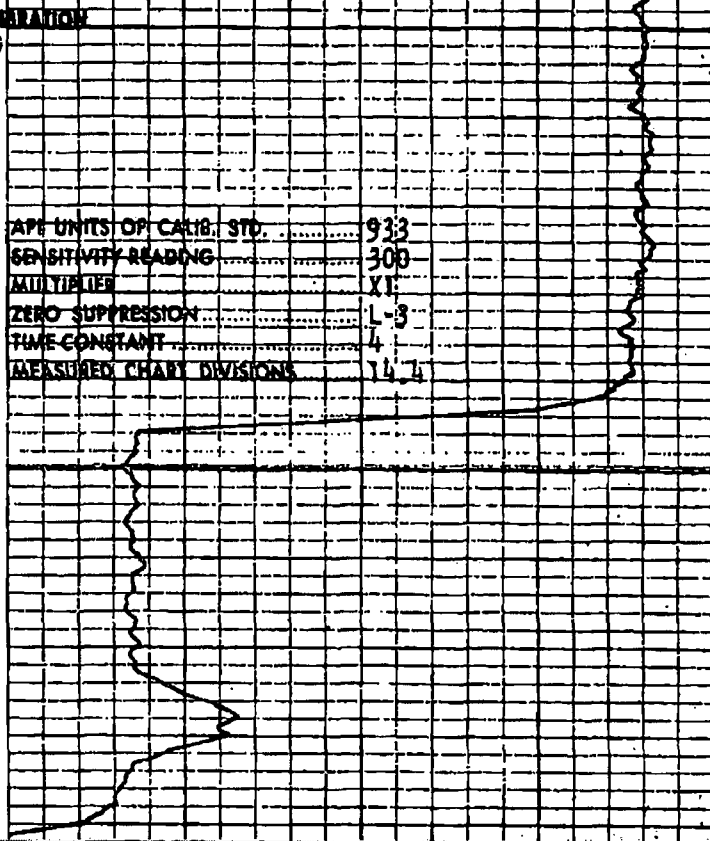
API UNITS OF CALIB. STD.	206
SENSITIVITY READING	250
MULTIPLIER	X1
ZERO SUPPRESSION	0
TIME CONSTANT	4



MEASURED CHART DIVISIONS 10.5

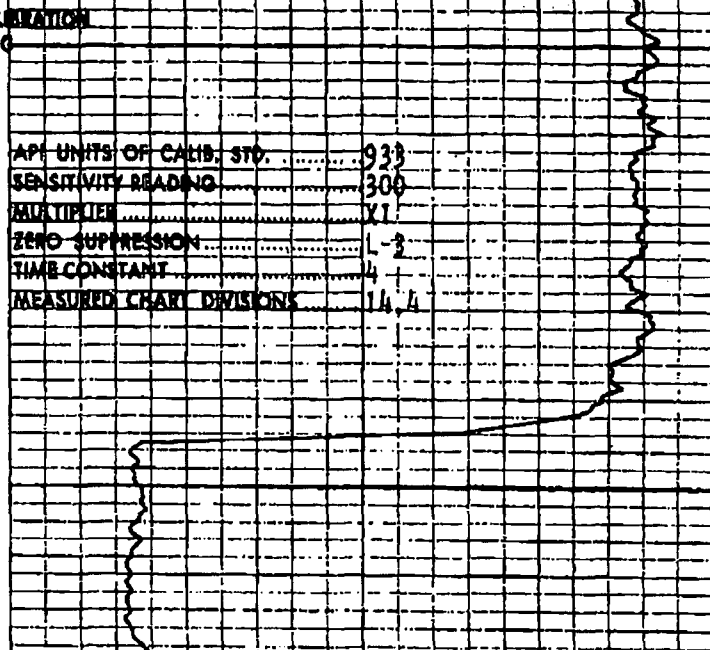
NEUTRON LOG CALIBRATION
AFTER LOG

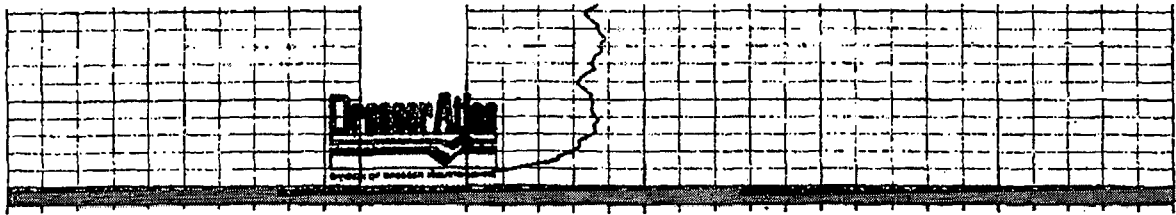
API UNITS OF CALIB. STD. 933
SENSITIVITY READING 300
MULTIPLIER X1
ZERO SUPPRESSION L-3
TIME CONSTANT 4
MEASURED CHART DIVISIONS 14.4



NEUTRON LOG CALIBRATION
BEFORE LOG

API UNITS OF CALIB. STD. 933
SENSITIVITY READING 300
MULTIPLIER X1
ZERO SUPPRESSION L-3
TIME CONSTANT 4
MEASURED CHART DIVISIONS 14.4





Schlumberger BlueView :

VII

1. The proposed average daily rate is 200 bbls of water at a rate of 8.33 bbl/hr. The proposed maximum daily injection is 500 bbls of water at a rate of 21 bbl/hr.
2. The system will be a closed system.
3. The proposed average injection is 100 psi and the proposed maximum injection pressure is 355 psi.
4. Injection fluid is produced water from the same formation on the same lease.
5. N/A because injection fluid is produced water from the same formation on the same lease.

VIII

IX

There is no proposed stimulation plan.

X

See attached logs

XI

There are no fresh water wells within a 1 mile radius.

XII

I have examined the available geologic and engineering data, and I find no evidence of open faults or any other hydrologic connection between the disposal zone and underground sources of drinking water.

NMOCD Case No. 14907

Application of KC Resources, Inc. for approval of a pressure maintenance project in Eddy County, New Mexico; Applicant seeks approval to institute a lease pressure maintenance project through its Jones D No.5 well location 2310 FSL, 330 FWL in Unit L of Section 18, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the San Andres formation at a depth of 1779 to 1934.