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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF THUNDERBOLT PETROLEUM, LLC
FOR APPROVAL OF A WATERFLOOD PROJECT AND
TO QUALIFY THE PROJECT FOR THE RECOVERED
OIL TAX RATE, EDDY COUNTY, NEW MEXICO.**

Case No. 12250

APPLICATION

Thunderbolt Petroleum, LLC ("Thunderbolt") applies for an order approving a waterflood project and qualifying the project for the recovered oil tax rate. In support thereof, Thunderbolt states:

1. Thunderbolt is the operator of the Calmon State Lease, covering the SW $\frac{1}{4}$ of Section 16, Township 18 South, Range 29 East, N.M.P.M., containing 160 acres of land.
2. Thunderbolt proposes to institute a waterflood project on the subject lease, designated the Calmon State Lease Waterflood Project. Thunderbolt's address is P.O. Box 10523, Midland, Texas 78702 (Attention: Robert Lee).
3. Thunderbolt proposes to inject water into the Loco Hills Queen-Grayburg-San Andres Pool through the Calmon State Well No. 1, located 2310 feet from the south line and 990 feet from the west line (Unit L) of Section 16, and the Calmon State Well No. 3, located 990 feet from the south and west lines (Unit M) of Section 16. The project area will comprise the SW $\frac{1}{4}$ of Section 16. A plat outlining the project area, and marking the locations of the initial injection and producing wells, is attached hereto as Exhibit A.
4. Thunderbolt requests that the Calmon State Lease Waterflood Project be qualified for the recovered oil tax rate,

pursuant to the Enhanced Oil Recovery Act (L. 1992, Ch. 38) and Division Rule 30. Project data includes:

- (a) Number of initial producing wells: 3.
- (b) Number of initial injection wells: 2.
- (c) Capital cost of additional facilities: \$125,000.00.
- (d) Estimated total project cost: \$125,000.00.
- (e) Estimated value of incremental production: \$557,000.00.
- (f) Anticipated injection commencement date: January 6, 2000.
- (g) Type of fluid injected: Produced water.
- (h) Anticipated injection volumes: 600 BWPD maximum.

5. A Form C-108 for the injection wells and project is attached hereto as Exhibit B.

WHEREFORE, Thunderbolt requests that the Division approve the injection application and the Calmon State Lease Waterflood Project, qualify the project as an enhanced oil recovery project, and certify the project for the recovered oil tax rate.

Respectfully submitted,



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