

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

P.O. BOX 1980
HOBBS, NEW MEXICO 88240

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

5. Lease Designation and Serial No.
NM-16835

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Neuhaus "14" Federal #2

9. API Well No.

30-025-31970

10. Field and Pool, or Exploratory Area

Lea Wolfcamp (Gas)

11. County or Parish, State

Lea

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Manzano Oil Corporation

3. Address and Telephone No.

P.O. Box 2107, Roswell, NM 88202-2107 (505) 623-1996

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660'FNL & 1650'FEL Section 14, T20S, R35E

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ 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.)

Response to Incident of Noncompliance number SJC-094-95

- Name(s) of all formation(s) producing water on the lease.
Wolfcamp.
- Amount of water produced from all formations in barrels per day.
40 BWPd.
- A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, pH, and the concentrations of chlorides and sulfates.
See attached.
- How water is stored on the lease.
500 bbl storage tank.
- How water is moved to the disposal facility.
Trucked.

(See attached for Items #6 & #7)

14. I hereby certify that the foregoing is true and correct

Signed Adrian Salameh

Title Engineering Technician

Date September 18, 1995

(This space for Federal or State office use)

Approved by Orig. Signed by Adrian Salameh

Title

Petroleum Engineer

Date 10/25/95

Conditions of approval, if any.

- SEE ATTACHED -

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

Manzano Oil Corporation
P.O. Box 2107
Roswell, NM 88202-2107

Form 3160-5
Page Two
Dated September 18, 1995

Re: Incident of Noncompliance number SJC-094-95
Neuhaus "14" Federal #2
30-025-31970
660'FNL & 1650'FEL
Section 14, T20S, R35E
Lea County, NM



-
6. Identify the Disposal Facility by:
- a. Operators name.
Southwest Royalties.
 - b. Well name.
Cities Federal #1.
 - c. Well type and well number.
SWD - #1.
 - d. Location by 1/4 1/4, section, township & range.
NWSW Section 20, T22S, R36E.
7. A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.
See attached.

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

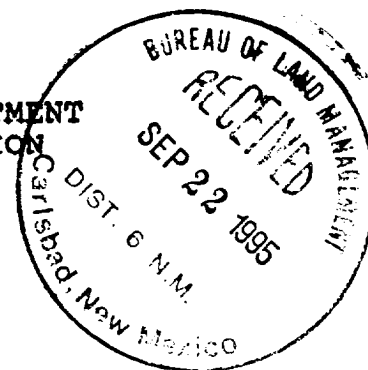
1. This agency be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Oil and Gas Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

SEP-18-1995 11:35 FROM SOUTHWEST ROYALTIES INC. TO

915056252620 P.02

4-20-84

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8144
Order No. R-7504

APPLICATION OF ZIA ENERGY, INC.
FOR SALT WATER DISPOSAL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of April, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Zia Energy, Inc., is the owner and operator of the Cities Federal Well No. 1 located 2310 feet from the South line and 330 feet from the West line of Section 20, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Seven Rivers-Queen formations, with injection into the perforated interval from approximately 3650 feet to 3800 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3650 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

-2-

Case No. 8144

Order No. R-7504

(5) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 730 psi.

(6) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the injection interval.

(7) That the operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(8) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(9) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Zia Energy, Inc., is hereby authorized to utilize its Cities Federal Well No. 1 located 2310 feet from the South line and 330 feet from the West line of Section 20, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers-Queen formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3650 feet, with injection into the perforated interval from approximately 3650 feet to 3800 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 730 psi.