

District I1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720**District II**811 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 and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101
Revised July 18, 2013☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address RIDGEWAY ARIZONA OIL CORP 575 N DAIRY ASHFORD ROAD, SUITE 210, ENERGY CENTER II HOUSTON, TX 77079		² OGRID Number 164557
		³ API Number 30-041-20991
⁴ Property Code 326503	⁵ Property Name KIZER SWD	⁶ Well No. 2

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	26	7S	33E		334	S	992	W	ROOSEVELT

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	26	7S	33E		334	S	992	E	ROOSEVELT

9. Pool Information**SWD-2267**

Pool Name	Pool Code
SWD; DEVONIAN-SILURIAN	97869

Additional Well Information

¹¹ Work Type NEW WELL	¹² Well Type SWD	¹³ Cable/Rotary	¹⁴ Lease Type FEDERAL	¹⁵ Ground Level Elevation 4372
¹⁶ Multiple	¹⁷ Proposed Depth 10700	¹⁸ Formation DEVONIAN	¹⁹ Contractor	²⁰ Spud Date 12/16/2019
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
SURF	13.500	10.750	40.5	2200	725	0
PROD	9.875	7.625	29.70	10500	1660	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DOUBLE RAM	5000 PSI	5000 PSI	TBD

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.I further certify that I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☐, if applicableSignature: *William Boyd*

Printed name: WILLIAM BOYD

Title: LAND & REGULATORY MANAGER

E-mail Address: WBOYD@PEDEVCO.COM

Date: 12/2/19

Phone: (713) 574-7912

OIL CONSERVATION DIVISION

Approved By:

P. G. Kautz

Title:

Approved Date: **12/03/2019**Expiration Date: **12/03/2021**

Conditions of Approval Attached

SEE ATTACHED

F/P

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone (505) 393-0101 Fax: (505) 393-0720

DISTRICT II

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DISTRICT III

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DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3480 Fax: (505) 478-3482State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-041-20991	Pool Code 97869	Pool Name SWD;DEVONIAN-SILURIAN
Property Code 326503	Property Name KIZER SWD	Well Number 2
OGRID No. 164557	Operator Name RIDGEWAY ARIZONA OIL CORP.	Elevation 4372'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	7 S	33 E		334	SOUTH	992	WEST	ROOSEVELT

Bottom Hole Location If Different From Surface

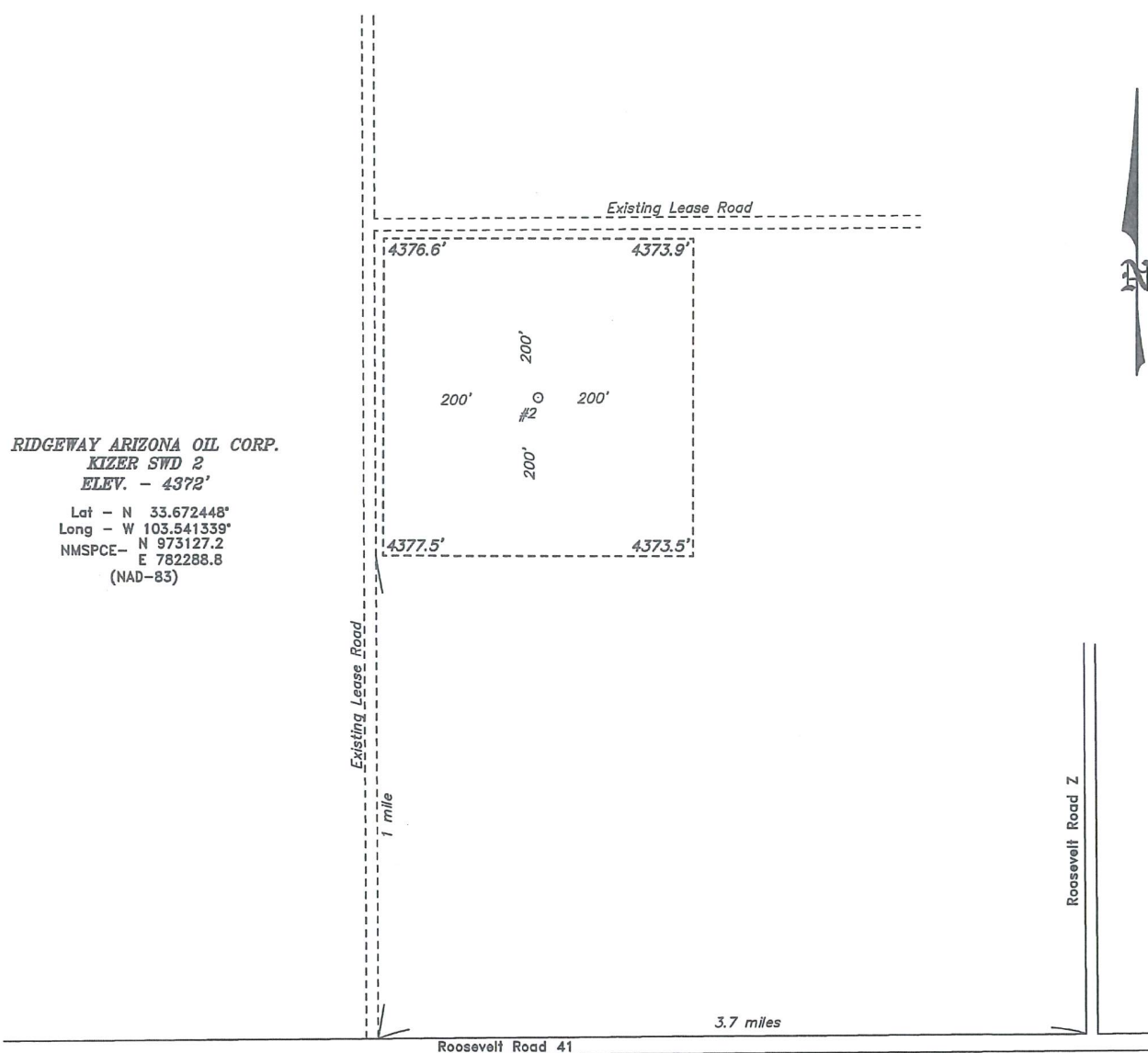
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No. SWD-2267
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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

	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. Signature Date 6/4/2019 Printed Name William Boyd Email Address wboyd@pederco.com
	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. Date Surveyed MAY 13 2019 Signature & Seal of Professional Surveyor
	Certificate No. Gary L. Jones 7977 BASS SURVEYS
	SCALE: 1" = 2000' WO Num.: 34608

**SECTION 26, TOWNSHIP 7 SOUTH, RANGE 33 EAST, N.M.P.M.,
ROOSEVELT COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATIONS:
 FROM THE JUNCTION ROOSEVELT ROAD 41 AND ROOSEVELT Z,
 GO WEST ON ROOSEVELT ROAD 41 FOR 3.7 MILES TO EXISTING
 LEASE ROAD. THEN NORTH ON LEASE ROAD FOR 1.0 MILE TO
 PROPOSED WELL PAD.

MILNESAND, NM IS ±12 MILES TO THE SOUTHEAST OF LOCATION.

200 0 200 400 FEET

SCALE: 1" = 200'

RIDGEWAY ARIZONA OIL CORP.

REF: KIZER SWD 2 / WELL PAD TOPO

THE KIZER SWD 2 LOCATED 334' FROM

THE SOUTH LINE AND 992' FROM THE WEST LINE OF

SECTION 26, TOWNSHIP 7 SOUTH, RANGE 33 EAST,

N.M.P.M., ROOSEVELT COUNTY, NEW MEXICO.



P.O. Box 1786 (575) 393-7316 - Office
 focused on excellence 1120 N. West County Rd. (575) 392-2206 - Fax
 in the oilfield Hobbs, New Mexico 88241 basin-surveys.com

W.O. Number: 34608

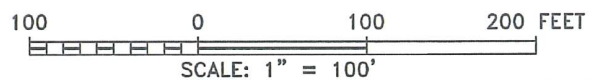
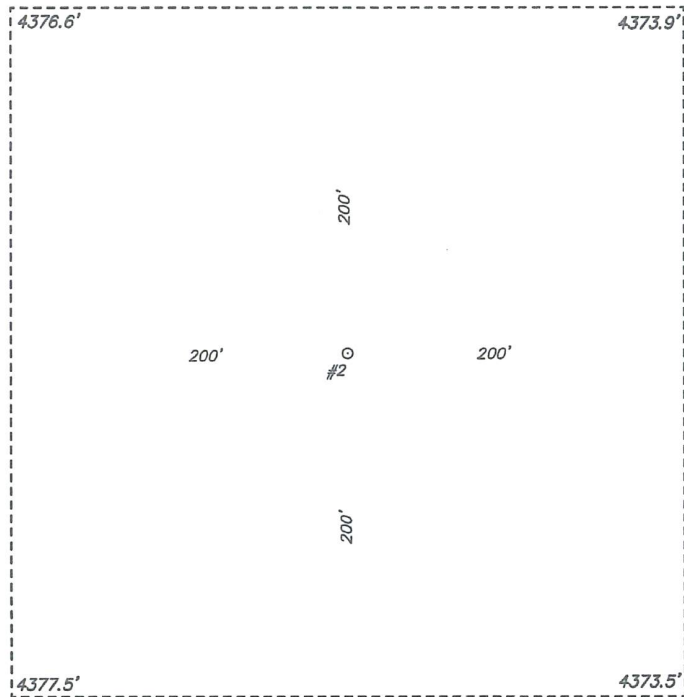
Drawn By: K. GOAD

Date: 06-03-2019

Survey Date: 05-30-2019

Sheet 1 of 1 Sheets

**SECTION 26, TOWNSHIP 7 SOUTH, RANGE 33 EAST, N.M.P.M.,
ROOSEVELT COUNTY, NEW MEXICO.**



RIDGEWAY ARIZONA OIL CORP.

REF: KIZER SWD 2 / WELL PAD TOPO

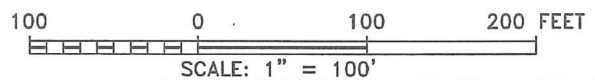
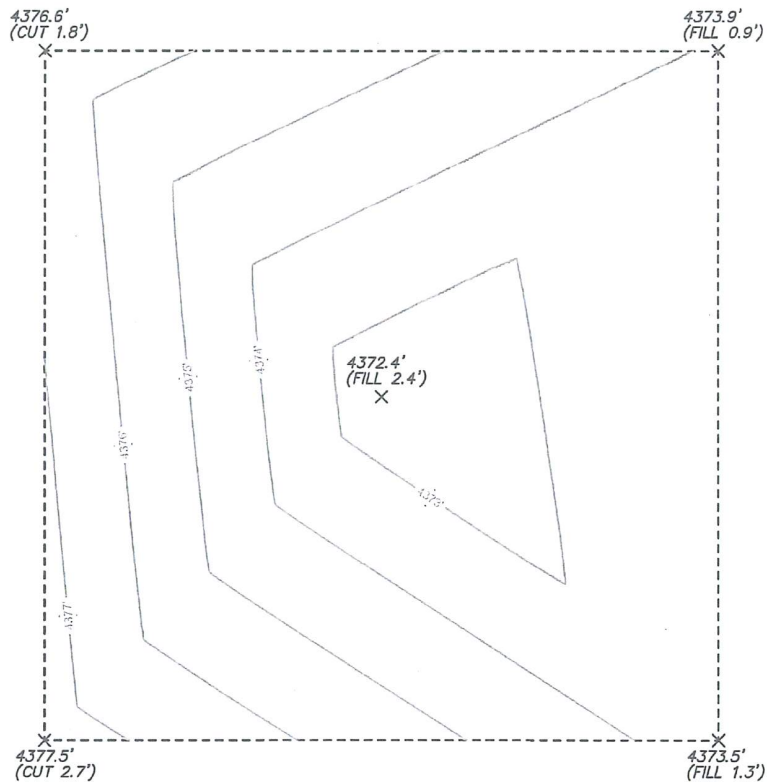
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N.M.P.M., ROOSEVELT COUNTY, NEW MEXICO.

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W.O. Number: 34608 | Drawn By: K. GOAD | Date: 06-03-2019 | Survey Date: 05-30-2019 | Sheet 1 of 1 Sheets

**SECTION 26, TOWNSHIP 7 SOUTH, RANGE 33 EAST, N.M.P.M.,
ROOSEVELT COUNTY, NEW MEXICO.**



RIDGEWAY ARIZONA OIL CORP.

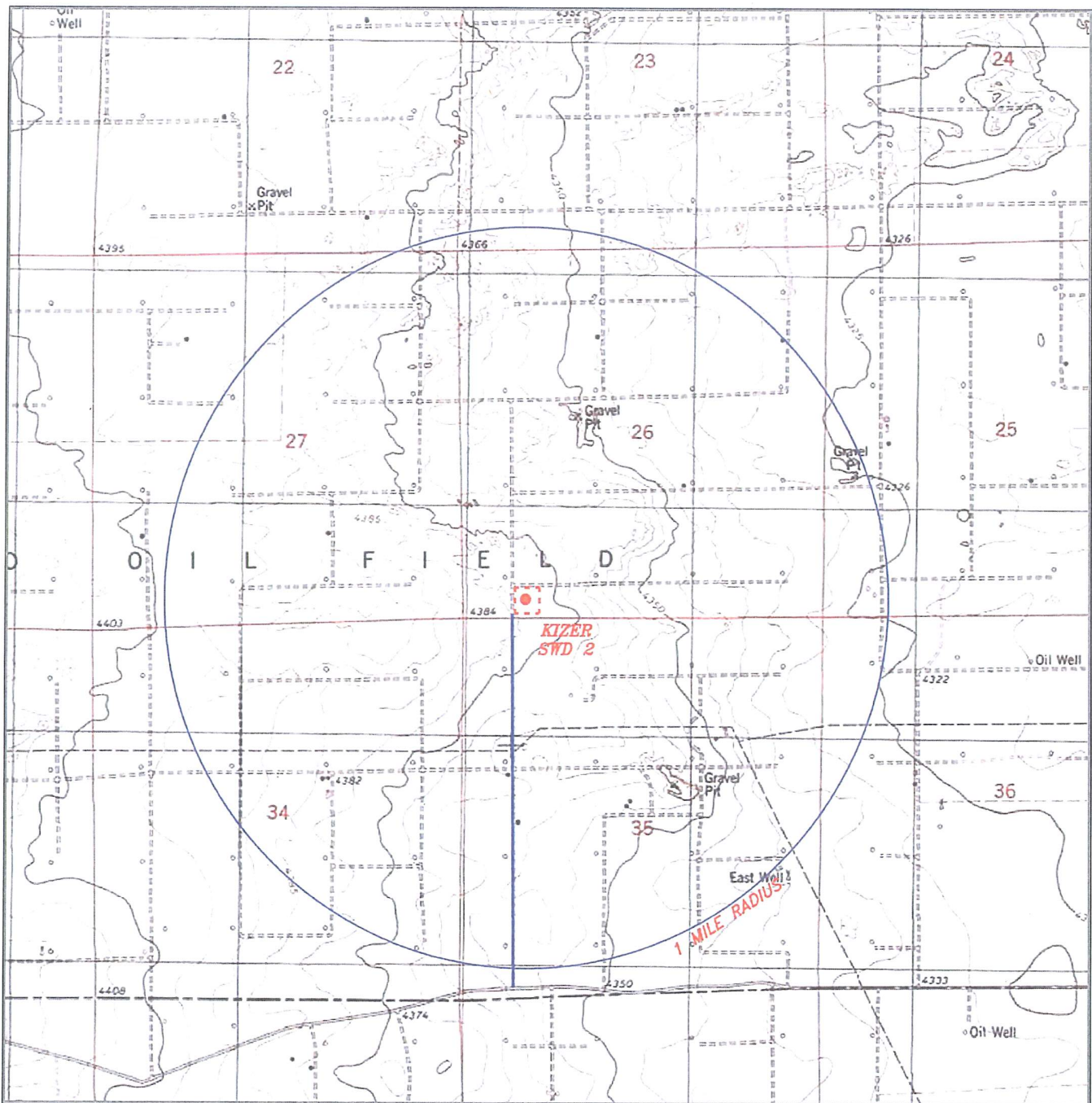
REF: KIZER SWD 2 / CUT & FILL

THE KIZER SWD 2 LOCATED 334' FROM
THE SOUTH LINE AND 992' FROM THE WEST LINE OF
SECTION 26, TOWNSHIP 7 SOUTH, RANGE 33 EAST,
N.M.P.M., ROOSEVELT COUNTY, NEW MEXICO.



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W.O. Number: 34608 | Drawn By: K. GOAD | Date: 06-03-2019 | Survey Date: 05-30-2019 | Sheet 1 of 1 Sheets



KIZER SWD 2

Located 334' FSL and 992' FWL
 Section 26, Township 7 South, Range 33 East,
 N.M.P.M., Roosevelt County, New Mexico.



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 Hobbs, New Mexico 88241
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0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

W.O. Number: KJG 34608

Survey Date: 05-30-2019

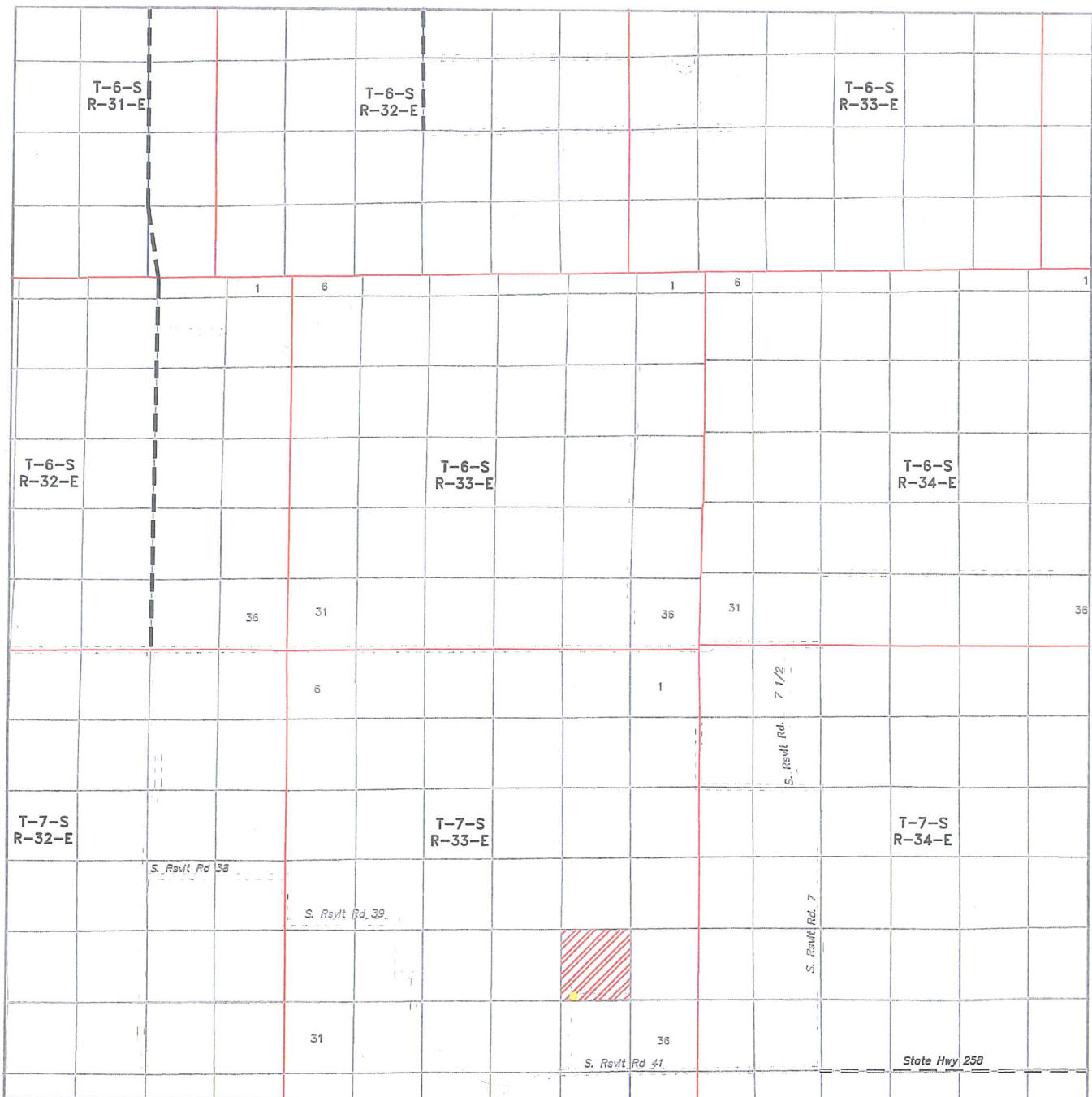
YELLOW TINT - USA LAND

BLUE TINT - STATE LAND

NATURAL COLOR - FEE LAND



**RIDGEWAY
 ARIZONA OIL
 CORP**



KIZER SWD 2

Located 334' FSL and 992' FWL
 Section 26, Township 7 South, Range 33 East,
 N.M.P.M., Roosevelt County, New Mexico.



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0 1 MI 2 MI 3 MI 4 MI

SCALE: 1" = 2 MILES

W.O. Number: KJG 34608

Survey Date: 05-30-2019

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**PACIFIC
 ENERGY
 DEVELOPMENT**



KIZER SWD 2

Located 334' FSL and 992' FWL
 Section 26, Township 7 South, Range 33 East,
 N.M.P.M., Roosevelt County, New Mexico.



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0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'

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Survey Date: 05-30-2019

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND

**RIDGEWAY
 ARIZONA OIL
 CORP**

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



Administrative Order SWD-2267
November 20, 2019

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Ridgeway Arizona Oil Corp., (the "operator") seeks an administrative order for its Kizer SWD #2 well (the "proposed well") with a location of 334 feet from the South line and 992 feet from the West line, Unit letter M of Section 26, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, for the purpose of produced water disposal.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties, have been notified and objections that were received within the prescribed waiting period have been resolved. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Division Rule 19.15.5.9 NMAC.

Application for Disposal in Devonian and Silurian Formations: Due to the potential for the projected injection volume of the proposed well to impact an area greater than the one-half mile radius applied in Division Form C-108 and Division rule, the applicant has provided the following supplementary information:

1. Notification following Division Rule 19.15.26.8(B) NMAC for a radius of one mile from the surface location of the proposed well;
2. An expanded Area of Review for wells penetrating the disposal interval for a radius of two miles from the surface location of the proposed well; and
3. A statement by a qualified person assessing the potential of induced-seismic events associated with the disposal activities for the predicted service life of the proposed well.

IT IS THEREFORE ORDERED THAT:

The applicant, Ridgeway Arizona Oil Corp (OGRID 164557), is hereby authorized to utilize its Kizer SWD #2 well (API 30-041-Pending) with a location of 334 feet from the South line and 992 feet from the West line, Unit letter M of Section 26, Township 7 South, Range 33 East, NMPM, Roosevelt County, for disposal of oil field produced water (UIC Class II only)

Administrative Order SWD-2267
Ridgeway Arizona Oil Corp.,
November 20, 2019
Page 2 of 4

through open-hole completion into an interval consisting of the Devonian and Silurian formations from approximately 10,500 feet to approximately 10,700 feet, unless the top of the Ordovician Montoya formation is found higher than 10,700 ft. If the Montoya formation is penetrated, then the operator shall plug back the portion of the hole that penetrated the interval. Injection will occur through internally-coated, 5½-inch or smaller tubing within the 7 5/8-inch liner and a packer set within 100 feet of the top of the disposal interval. This permit does not allow disposal into:

1. The Woodford Shale and formations above the lower contact of the Woodford Shale;
2. Formations below the Silurian formations including the Montoya formation and the Ellenburger formation (lower Ordovician); and
3. Any lost circulation intervals directly above and obviously connected to these formations.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Engineering Bureau, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District office and the operator shall be required to receive written permission prior to commencing disposal.

The operator shall circulate to surface the cement for the 7 5/8 inch production casing.

If cement does not circulate on any casing string, the operator shall run a cement bond log (CBL) or other log to determine top of cement and shall notify the Hobbs District with the top of cement on the emergency phone number prior to continuing with any further cement activity with the proposed well. If cement did not tie back into the next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe.

Prior to commencing disposal, the operator shall obtain a bottom-hole pressure measurement representative of the open-hole completion. This information shall be provided with the written notice of the date of commencement of disposal.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as described in the application and, if necessary, as modified by the District Supervisor.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

Administrative Order SWD-2267
Ridgeway Arizona Oil Corp.,
November 20, 2019
Page 3 of 4

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

If the disposal well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Division Director shall require the well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Division Rule 19.15.26.10 NMAC, and the well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

The wellhead injection pressure on the well shall be limited to **no more than 2,100 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable step-rate test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District I office. The operator shall submit monthly reports of the disposal operations that includes number of days of operation, injection volume, and injection pressure on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.


The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

Administrative Order SWD-2267
Ridgeway Arizona Oil Corp.,
November 20, 2019
Page 4 of 4

The disposal authority granted herein shall terminate one (1) year after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



ANDRIENNE SANDOVAL
Director

AS/dhr

cc: Oil Conservation Division – Hobbs District Office
Admin. Appl. No. pKAM1925532064
Bureau of Land Management – Carlsbad Field Office

Attachment: C-108 well completion diagram

RIDGEWAY ARIZONA OIL CORP

WELLBORE SCHEMATIC

OPERATOR: Ridgeway Arizona Oil Corp.
 WELL NAME: KIZER SWD #2
 FIELD / PROSPECT: Chavaro CO: Hooover
 SURFACE LOCATION: SEC 28 / 334' FSL 992' FWL
 COMPLETED ZONE(S):
 RECOMP ZONE(S):
 TBGR/AC/ROD/UMF:
 WELLBORE: ☒ Original Comp ☐ Proposed Comp

TD: -10700 REV DATE: 8/23/2019
 STATE: New Mexico DRILL DATE: 10/1/2019
 BH: SEC 28 / 334' FSL 992' FWL GL: 4372 KB: 16'
 PB ZONE(S):
 TAG DEPTH:
 MSC:

RC: TAG DATE:

DRILLING & MECHANICAL

90' 16" Conductor

13-1/2" Hole Size

2200' 10-3/4" 40.5# J-55 BTC

DV / ECP Tool @ 2000'

9-7/8" Hole Size

DV / ECP Tool @ 7500'

5 1/2" 20# L80 IPC Int tubing
 0' - 10,440' w/ packer
 10500' 7-5/8" 29.7# P-110HC BTC
 Open Hole to 10700'

CASING PROGRAM

Size	Top	Bottom
Conductor 16"	0	90
Surface 10-3/4"	0	2200
Production 7-5/8"	0	10500
Tubing 5 1/2"	0	10,440

CEMENTING PROGRAM

Type	Volume (bbl)	Top Determination
Surface		
Lead	565	circulation
Tail	170	calc.
Production Stage 3		
Lead	380	circulation
Tail	755	calc.
Production Stage 2		
Lead	200	calc.
Tail	205	calc.
Production Stage 1		
Lead	140	calc.
Tail	140	calc.

DIRECTIONAL PLAN

MD TVD Inc Azim BUR

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-041-20991	RIDGEWAY ARIZONA OIL CORP	KIZER SWD # 001

Applicable conditions of approval marked with **XXXXXX**

Administrative Orders Required

XXXXXXXX	Review administrative order SWD 2267 for conditions of approval in order

Other wells

Casing

XXXXXXXX	SURFACE, & PRODUCTION CASING - Cement must circulate to surface
XXXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Lost Circulation

XXXXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Water flows

XXXXXXXX	Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate.

Stage Tool

XXXXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe.

Completion & Production

XXXXXXXX	Will require a deviational survey with the C-105
XXXXXXXX	Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114
XXXXXXXX	Must conduct & pass MIT prior to any injection
XXXXXXXX	Approval of this APD does not approve your tubing sizes. Please see SWD order for approved tubing sizes.
XXXXXXXX	Must conduct & pass MIT prior to any injection