DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
9/12/05	9/27/05	WVJ	9/12/05	SWD-996	pMND526559343

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

RECEIVED
SEP 12 2005
OIL CONSERVATION DIVISION

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☒ Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

DONALD R. LAYTON		President	9-7-05
Print or Type Name	Signature	Title	Date

e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: LAYTON ENTERPRISES, INC.

ADDRESS: 3103 79th St. Lubbock, Texas 79423

CONTACT PARTY: DON LAYTON PHONE 806/745-4638

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: DONALD R. LAYTON TITLE: PRESIDENT

SIGNATURE: Donald R. Layton DATE: 9-7-05

E-MAIL ADDRESS: _____

* 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

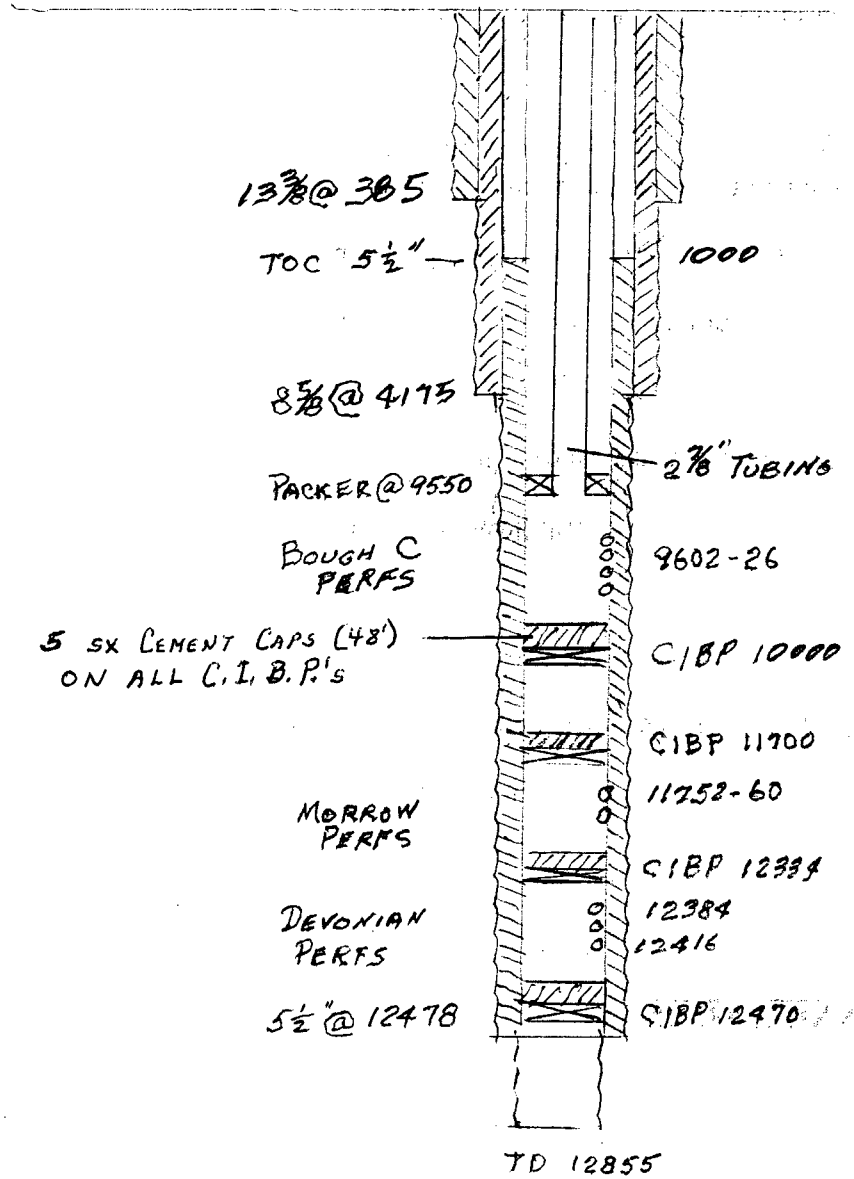
INJECTION WELL DATA SHEET

OPERATOR: LAYTON ENTERPRISES, INC.

WELL NAME & NUMBER: EL ZORRO FREMONT FED. # 2 API # 30-025-34703

WELL LOCATION:	1880' FNL 1350' FEL	G	1	9S	36 E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17½ Casing Size: 13⅜ 48# H-40

Cemented with: 400 sx. *or* _____ ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Intermediate Casing

Hole Size: 12¼ Casing Size: 8⅝" 32# J-55

Cemented with: 1500 sx. *or* _____ ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Production Casing

Hole Size: 7⅞" Casing Size: 5½" 23# P-110

Cemented with: 2300 sx. *or* _____ ft³

Top of Cement: 1060 Method Determined: CALCULATED

Total Depth: 12855

Injection Interval

PERFORATED 9602 feet to 9626

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8 8R EUE L-80 Lining Material: FIBERGLASS TUBE - RICE ENGR.

Type of Packer: BAKER LOCKSET - PLASTIC COATED

Packer Setting Depth: 9550

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

Additional Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? OIL PRODUCTION

2. Name of the Injection Formation: BOUGH C (PENN)

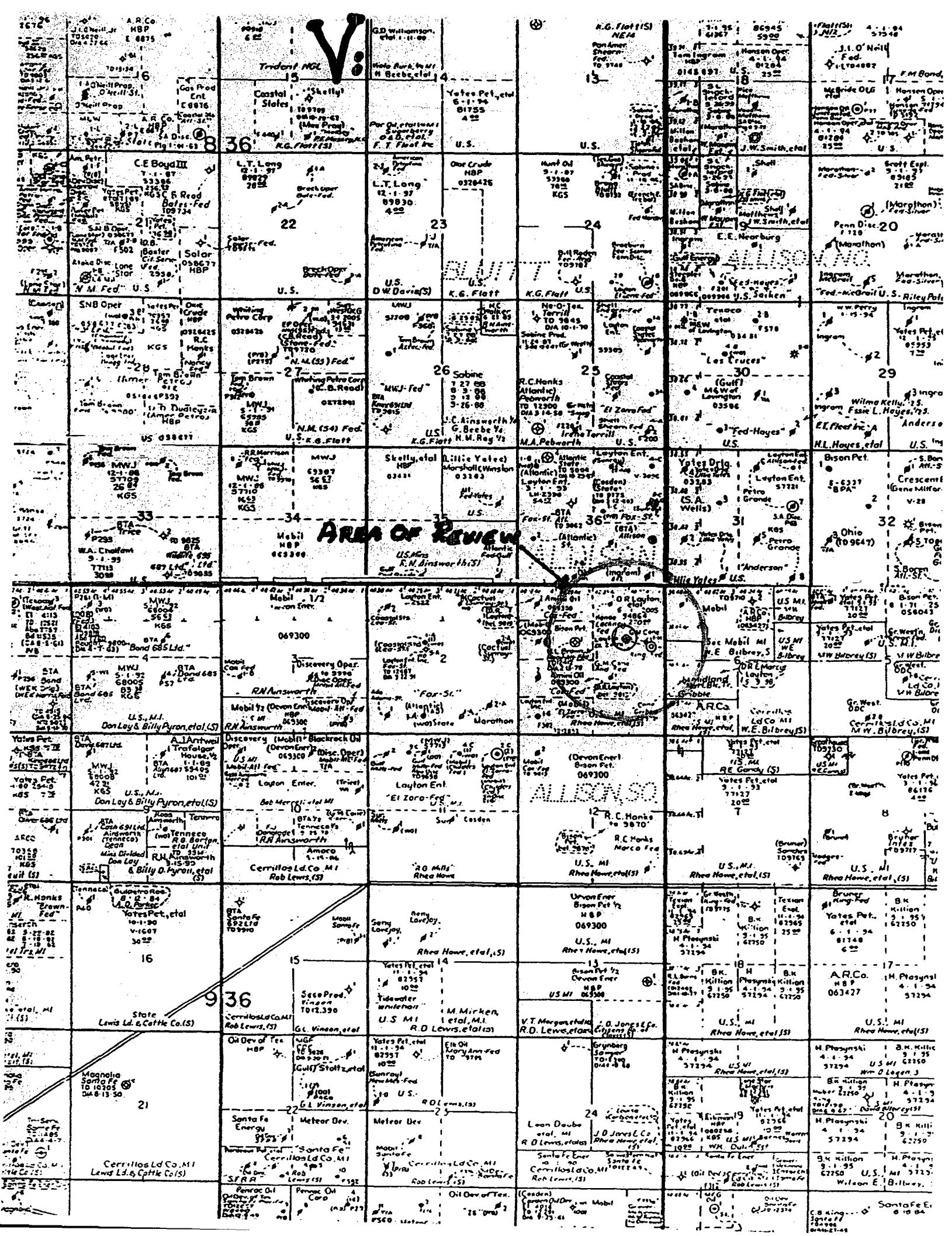
3. Name of Field or Pool (if applicable): ALLISON PENN POOL CODE # 01149

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. DEVONIAN 12,384-12,416 C.I.B.P. @ 12,334 w/ 5sx MORROW 11752-60 C.I.B.P. @ 11,700 w/ 5sk

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: DEVONIAN 12,380-12,420

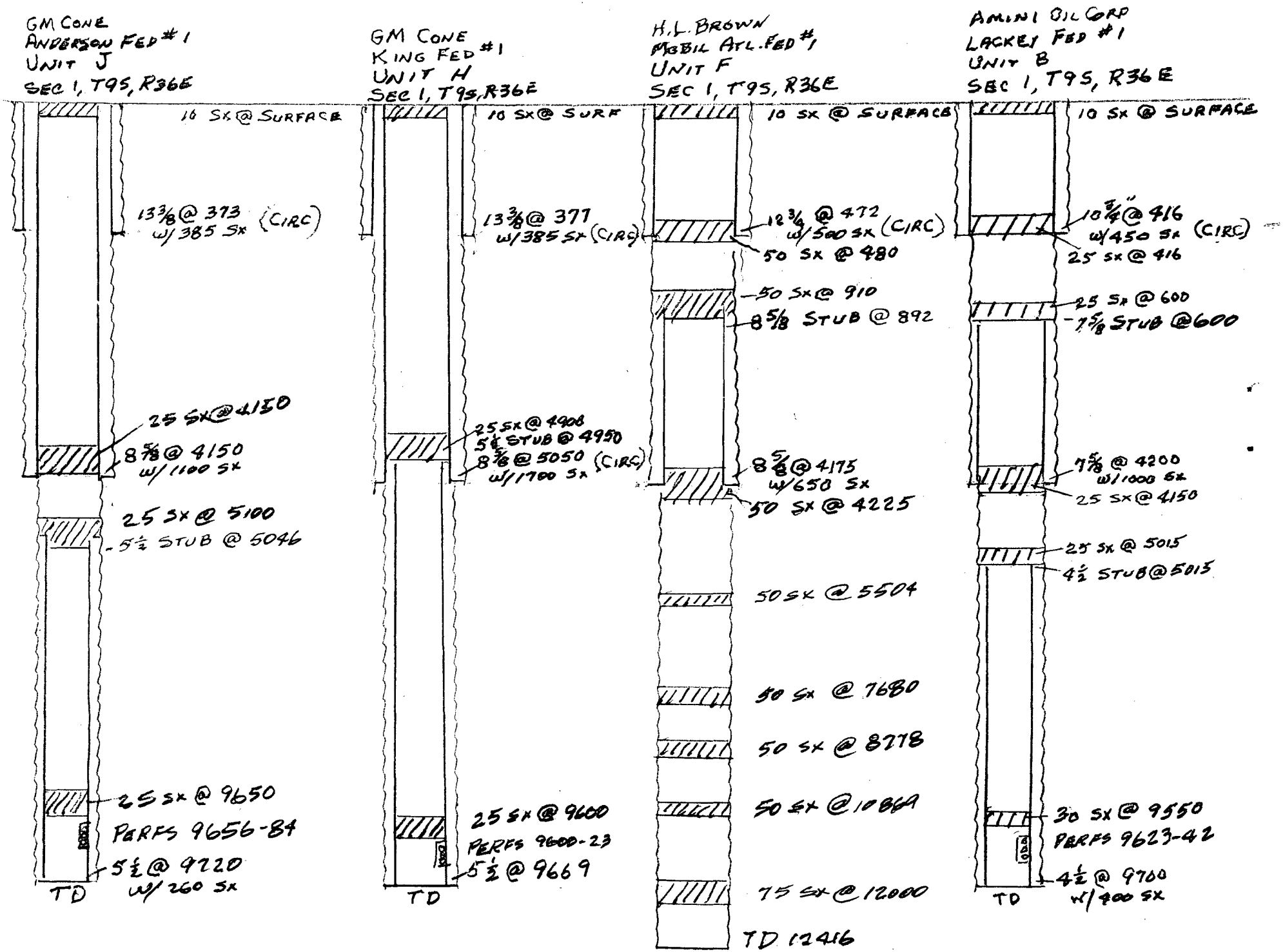
   MORROW 11,750-60

   SAN ANDRES 4850-5050

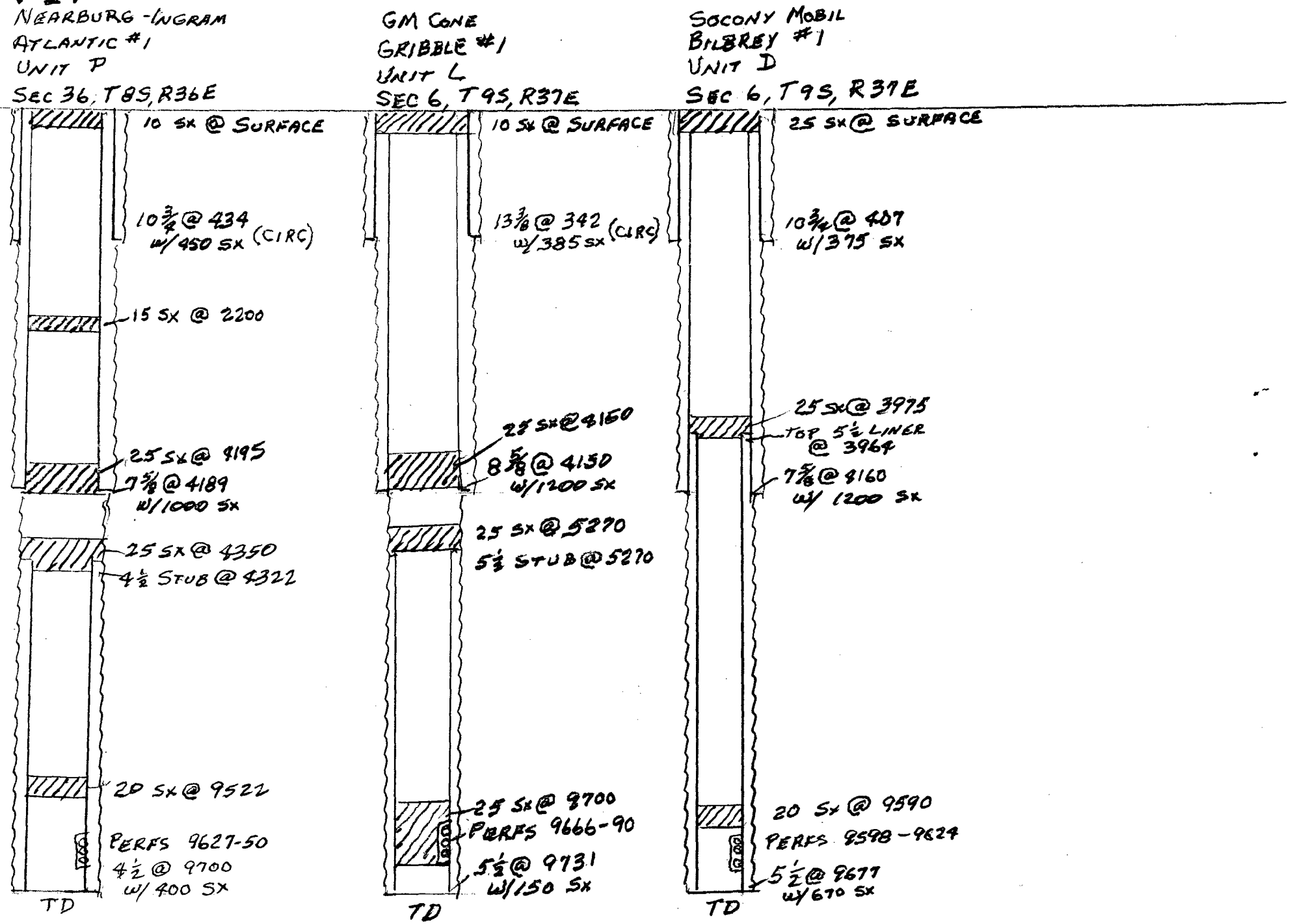

AREA OF REVIEW

VI:

SCHEMATIC OF P&A WELLS IN AREA OF REVIEW



VI:


NEARBURG-INGRAM
ATLANTIC #1
UNIT P
SEC 36, T8S, R36E
10 SX @ SURFACE
10 3/4 @ 434
W/ 450 SX (CIRC)
15 SX @ 2200
25 SX @ 9195
7 5/8 @ 4189
W/ 1000 SX
25 SX @ 4350
4 1/2 STUB @ 4322
20 SX @ 9522
PERFS 9627-50
4 1/2 @ 9700
W/ 400 SX
TD
GM CONE
GRIBBLE #1
UNIT L
SEC 6, T9S, R37E
10 SX @ SURFACE
13 3/8 @ 342
W/ 385 SX (CIRC)
25 SX @ 4160
8 5/8 @ 4150
W/ 1200 SX
25 SX @ 5270
5 1/2 STUB @ 5270
25 SX @ 9700
PERFS 9666-90
5 1/2 @ 9731
W/ 150 SX
TD
SOCONY MOBIL
BILBREY #1
UNIT D
SEC 6, T9S, R37E
25 SX @ SURFACE
10 3/4 @ 407
W/ 375 SX
25 SX @ 3975
TOP 5 1/2 LINER
@ 3964
7 5/8 @ 9160
W/ 1200 SX
20 SX @ 9590
PERFS 9598-9624
5 1/2 @ 9677
W/ 670 SX
TD

VI.

TABULATION OF DATA ON ALL WELLS OF PUBLIC RECORD IN THE AREA OF REVIEW - PARAGRAPH VI OF C-108

NEARBURG & INGRAM
ATLANTIC #1
30-041-00162

UNIT P SEC 36 T8S R36E
DRILLED JULY, 1960 TD 9700
CSG: 10¾" @ 434 - 450 SX
7⅝" @ 4189 - 1000 SX
4½" @ 9700 - 400 SX
PERFS: 9607-50
PULLED 4322 OF 4½"
CEMENT PLUGS: 20 SX @ 9522
25 SX @ 4350
25 SX @ 4195
15 SX @ 2200
10 SX @ SURFACE
P&A SEPT. 1965

A.L. BROWN
MOBIL ATLANTIC FED #1
30-025-25195

UNIT F SEC 1, T9S, R36E
DRILLED DECEMBER 1975
CSG: 12¾" @ 472 - 500 SX
8⅝" @ 4175 - 650 SX
PULLED 892' OF 8⅝
CEMENT PLUGS: 75 SX @ 12000
50 SX @ 10869
50 SX @ 8778
50 SX @ 7680
50 SX @ 5504
50 SX @ 4225
50 SX @ 410
50 SX @ 480
10 SX @ SURFACE
P-A FEBRUARY 1976
TD 12416

VI.

GORDON M. CONE
JACK GRIBLE #1
30-025-04956

UNIT L SEC 6, T9S, R37E
DRILLED DECEMBER 1959
TD 9731
CSG: $13\frac{3}{8}$ @ 342 - 385 SX
$8\frac{5}{8}$ @ 4150 - 1200 SX
$5\frac{1}{2}$ @ 9731 - 150 SX
PERFS: 9666 - 90
PULLED 5270 - $5\frac{1}{2}$"
CEMENT PLUGS: 25 SX @ 9700
25 SX @ 5270
25 SX @ 4150
10 SX @ SURFACE
P&A FEBRUARY 1960

SOCONY MOBIL OIL CO.
BILBREY #1
30-025-04957

UNIT D SEC 6, T9S, T37E
DRILLED FEBRUARY 1960
TD 9677
CSG: $10\frac{3}{4}$ @ 407 - 375 SX
$7\frac{5}{8}$ @ 4160 - 1200 SX
$5\frac{1}{2}$ @ 9677 - 670 SX
PERFS: 9598 - 9624
CEMENT PLUGS: 20 SX @ 9590 - 9427
25 SX @ 3975 - 3867
25 SX @ 120 - SURFACE
P&A NOVEMBER 1965

VI.

GORDON M. CONE
KING FED #1
30-025-03548

UNIT H SEC 1, T9S, R36E
DRILLED OCTOBER 1959
CSG: 13 3/8 @ 377 - 385 SX
8 5/8 @ 5050 - 1700 SX
5 1/2 @ 9669 - 200 SX
PERFS: 9600-23
PULLED 4956' - 5 1/2
CEMENT PLUGS: 25 SX @ 9600
25 SX @ 4900
10 SX @ SURFACE
P & A JUNE 1966
TD 9669

GORDON M. CONE
ANDERSON FED #1
30-025-03546

UNIT J SEC 1, T9S, R36E
DRILLED AUGUST 1960
CSG: 13 3/8 @ 373 - 385 SX
8 5/8 @ 4150 - 1100 SX
5 1/2 @ 9720 - 260 SX
PERFS 9656-84
PULLED 5046' - 5 1/2
CEMENT PLUGS: 25 SX @ 9650 - 9450
25 SX @ 5000 - 5100
25 SX @ 4100 - 4200
10 SX @ SURFACE
P & A JUNE 1966
TD 9720

VI:

LAYTON ENTERPRISES INC
EL ZORRO G FED #1
30-025-33566

UNIT E SEC 1, T9S, R36E
DRILLED AUGUST 1997
TD 12,369
CSG: 13⅜ @ 383 - 400 SX
8⅝ @ 4180 - 1500 SX
5½ @ 12345 - 2000 SX
OH 12345-69
PRODUCING DEVONIAN OIL WELL

LAYTON ENTERPRISES, INC
EL ZORRO FREMONT FED #1
30-025-33147

UNIT H SEC 1, T9S, R36E
DRILLED OCTOBER 1995
TD 12360
CSG: 13⅜ @ 380 - 370 SX
8⅝ @ 4187 - 1500 SX
5½ @ 12340 - 2500 SX
OH 12340-60
PRODUCING DEVONIAN OIL WELL

AMINI OIL CORP (HONDO
LARKEY FED #1
30-025-25195

UNIT B SEC 1, T9S, R36E
DRILLED JUNE 1960
TD 9700
CSG: 10¾ @ 416 - 430 SX
7⅝ @ 4200 - 1000 SX
4½ @ 9700 - 400 SX
PERFS: 9623-42
PULLED: 5015' - 4½" 600' - 7⅝"
CEMEN PLUGS: 30 SX @ 9550
25 SX @ 5015
25 SX @ 4150
25 SX @ 600
25 SX @ 416
10 SX @ SURFACE

P&A MAY 1970

VII: 4

Phone 806 894-8172
Fax 806 897-2199

Chem Tech Services

PO Drawer 1619
Levelland, TX 79336

Layton Enterprises
3103 79th
Lubbock, Tx 79423

September 6, 2005

Mr. Don Layton,

My Company, Chem Tech Services, Inc. has conducted a water analysis survey on your various leases in New Mexico. We have mixed the water from the different zones for compatibility and found no problems.

We are Truck Treating all of the Wells downhole for corrosion and scale to insure no problem with these waters.

Don, if I may be of further service please call.

Sincerely,

Dick Tubb

Dick Tubb
Chem Tech Services, Inc.

VII: 4

Phone 806/894-8172

Chem Tech Services Inc.

Drawer 1619
Levelland, Texas 79336

WATER ANALYSIS REPORT

Company:	LAYTON	**Sampled By:**	CHEM TECH SERVICES
Location:	FOX C-4	**Analysis Date:**	08/28/03
Source:	0	**Salesman:**	0
Date Sampled:	08/20/03		

	ANALYSIS BOUGH "C"	mg/L		EQ. WT.		MEQ/L
1.	pH	5.98				
2.	Specific Gravity 60/60 f.	1.078				
3.	Hydrogen Sulfide	POSITIVE				
4.	Carbon Dioxide	Not Determined				
5.	Dissolved Oxygen	Not Determined				
6.	Hydroxyl (OH-)	0	/	17.0	=	0.00
7.	Carbonate (CO3=)	0	/	30.0	=	0.00
8.	Bicarbonate (HCO3-)	318	/	61.1	=	5.20
9.	Chloride (Cl-)	64,985	/	35.5	=	1,830.56
10.	Sulfate (SO4=)	500	/	48.8	=	10.25
11.	Calcium (CA++)	2,244	/	20.1	=	111.64
12.	Magnesium (Mg++)	340	/	12.2	=	27.87
13.	Sodium (Na+)	39,250	/	23.0	=	1,706.50
14.	Barium (Ba++)	Not Determined				
15.	Total Iron (Fe)	15.00				
16.	Dissolved Solids	107,637				
17.	Filterable Solids					
18.	Total Solids	107,637				
19.	Total Total Hardness As CaCO3	7,006				
20.	Suspended Oil					
21.	Volume Filtered (ml)					
22.	Resistivity @ 75 F. (calculated)	0.074 /cm.				

23. CAC03 Saturation Index

@80 F.	-1.0039
@100 F.	-0.6939
@120 F.	-0.4339
@140 F.	-0.0739
@160 F.	0.2761

24. Calcium Sulfate solubility @ 90 F. 4,472 mg/L

PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO3)2	81.04		5.20	421
CaSO4	68.07		10.25	698
CaCl2	55.50		96.19	5,339
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCL2	47.62		27.87	1,327
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		1,706.50	99,762

Chemist: _____

VII: 4

Oilfield Solutions, Inc.
2614 S.C.R. 1257, Midland, Tx. 79706

WATER ANALYSIS REPORT

Company: Layton Enterprises
Location: Gomez A-1
Source:
Date Sampled: January 16, 1998

Sampled By: Chem Tech Services
Analysis Date: January 28, 1998
Saleeman: Dick Tubb

	ANALYSIS DEVONIAN	mg/L		EQ. WT.		MEQ/L
1.	pH	6.14				
2.	Specific Gravity 60/60 f.	1.052				
3.	Hydrogen Sulfide	1	PPM			
4.	Carbon Dioxide	Not Determined				
5.	Dissolved Oxygen	Not Determined				
6.	Hydroxyl (OH-)	0	/	17.0	=	0.00
7.	Carbonate (CO3=)	0	/	30.0	=	0.00
8.	Bicarbonate (HCO3-)	659	/	61.1	=	10.79
9.	Chloride (Cl-)	47,989	/	35.5	=	1,351.80
10.	Sulfate (SO4=)	25	/	48.8	=	0.51
11.	Calcium (CA++)	4,168	/	20.1	=	207.36
12.	Magnesium (Mg++)	1,119	/	12.2	=	91.72
13.	Sodium (Na+)	24,472	/	23.0	=	1,064.02
14.	Barium (Ba++)	Not Determined				
15.	Total Iron (Fe)	250.00				
16.	Dissolved Solids	78,432				
17.	Filtereble Solids					
18.	Total Solids	78,432				
19.	Total Total Hardness As CaCO3	15,013				
20.	Suspended Oil					
21.	Volume Filtered (ml)					
22.	Resistivity @ 75 F. (calculated)	0.1 /cm.				

23. CAC03 Saturation Index

@80 F.	-0.2586
@100 F.	0.0514
@120 F.	0.3114
@140 F.	0.6714
@160 F.	1.0214

24. Calcium Sulfate solubility @ 80 F. 2,644 mg/L

PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO3)2	81.04		10.79	874
CaSO4	68.07		0.51	35
CaC12	55.50		196.06	10,881
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCL2	47.62		91.72	4,368
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		1,064.02	62,203

Chemist: _____

VII: 4

Phone 806/894-8172

Chem Tech Services Inc.

Drawer 1619
Levelland, Texas 79336

WATER ANALYSIS REPORT

Company:	LAYTON ENTERPRISES	**Sampled By:**	CHEM TECH SERVICES
Location:	0	**Analysis Date:**	08/01/03
Source:	FOX C #5	**Salesman:**	0
Date Sampled:	0		

	ANALYSIS BOUGH "C"	mg/L	EQ. WT.		MEQ/L
1.	pH	6.19			
2.	Specific Gravity 60/60 f.	1.068			
3.	Hydrogen Sulfide	NEGATIVE			
4.	Carbon Dioxide	Not Determined			
5.	Dissolved Oxygen	Not Determined			
6.	Hydroxyl (OH-)	0 /	17.0	=	0.00
7.	Carbonate (CO3=)	0 /	30.0	=	0.00
8.	Bicarbonate (HCO3-)	244 /	61.1	=	3.99
9.	Chloride (Cl-)	73,983 /	35.5	=	2,084.03
10.	Sulfate (SO4=)	610 /	48.8	=	12.50
11.	Calcium (CA++)	2,605 /	20.1	=	129.60
12.	Magnesium (Mg++)	146 /	12.2	=	11.97
13.	Sodium (Na+)	45,056 /	23.0	=	1,958.95
14.	Barium (Ba++)	Not Determined			
15.	Total Iron (Fe)	10.00			
16.	Dissolved Solids	122,644			
17.	Filterable Solids				
18.	Total Solids	122,644			
19.	Total Total Hardness As CaCO3	7,106			
20.	Suspended Oil				
21.	Volume Filtered (ml)				
22.	Resistivity @ 75 F. (calculated)	0.065 /cm.			

23. CAC03 Saturation Index

@80 F.	-0.8442
@100 F.	-0.5342
@120 F.	-0.2742
@140 F.	0.0858
@160 F.	0.4358

24. Calcium Sulfate solubility @ 90 F. 4,343 mg/L

PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO3)2	81.04		3.99	323
CaSO4	68.07		12.50	851
CaCl2	55.50		113.11	6,278
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCL2	47.62		11.97	570
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		1,958.95	114,520

Chemist: _____

VII.

InterChem

(915) 550-7027 - 3803 Mankins - Odessa, Tx. 79763

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : **Layton Enterprises**
Lease : **El Zorro C**
Well No.: **Federal #2**
Analysis:

Sample Loc. :
Date Sampled : **29-April-1994**
Attention :
Chemical Co. : **Pro-Kem, Inc.**

ANALYSIS

SAN ANDRES

1.	pH		5.500
2.	Specific Gravity 60/60 F.		1.158
3.	$CaCO_3$ Saturation Index	@ 80 F.	+1.113
		@ 140 F.	+3.053

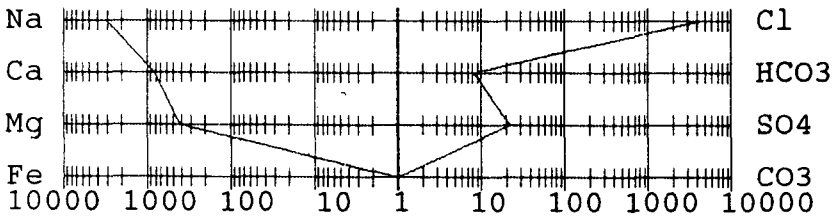
	Dissolved Gasses	MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide	Present		
5.	Carbon Dioxide	Not Determined		
6.	Dissolved Oxygen	Not Determined		

	Cations			MG/L		EQ. WT.		*MEQ/L
7.	Calcium	(Ca^{++})		16,032	/	20.1	=	797.61
8.	Magnesium	(Mg^{++})		4,862	/	12.2	=	398.52
9.	Sodium	(Na^{+})	(Calculated)	70,994	/	23.0	=	3,086.70
10.	Barium	(Ba^{++})		Not Determined				

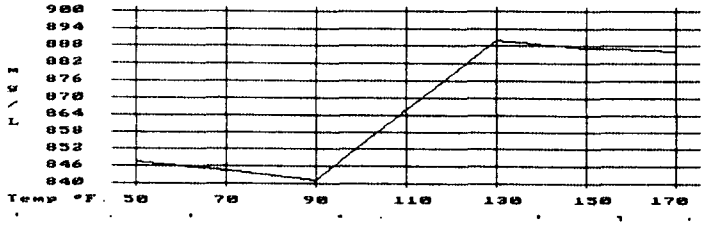
	Anions		MG/L		EQ. WT.		*MEQ/L
11.	Hydroxyl	(OH^{-})	0	/	17.0	=	0.00
12.	Carbonate	($CO_3^{=}$)	0	/	30.0	=	0.00
13.	Bicarbonate	(HCO_3^{-})	487	/	61.1	=	7.97
14.	Sulfate	($SO_4^{=}$)	1,050	/	48.8	=	21.52
15.	Chloride	(Cl^{-})	150,966	/	35.5	=	4,252.56

16.	Total Dissolved Solids		244,391				
17.	Total Iron (Fe)		6	/	18.2	=	0.33
18.	Total Hardness As $CaCO_3$		60,054				
19.	Resistivity @ 75 F. (Calculated)		0.001 /cm.				

LOGARITHMIC WATER PATTERN
***meq/L.**



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L	= mg/L.
$Ca(HCO_3)_2$	81.04	7.97	646
$CaSO_4$	68.07	21.52	1,465
$CaCl_2$	55.50	768.13	42,631
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCL_2$	47.62	398.52	18,978
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	3,085.91	180,403

***Milli Equivalents per Liter**

FORM C-108

SUPPLEMENTAL DATA

VII. 1. Proposed average daily injection rate is 300 B/D with anticipated maximum rate of 1000 B/D.
2. The injection system will be closed.
3. Anticipated injection pressure will be zero at the wellhead.
4. Source of injected fluid will be from the Devonian, Bough "C", and San Andres formations from the Allison Field.

V111. The Bough "C" Zone is a fine crystalline vuggy linestone of Pennsylvanian age identified by late Cisco Fossils. The gross zone is normally 30 feet thick and in the proposed injection well is found at a depth of 9598-9628 (-5545).

Fresh water zones are almost non-existent in this area. A few wells of very low capacity have been found at a depth of 150-200 ft.

1X. Treat zone w/1000 gal 15% HCl acid.

X. Well logs are on file with OCD. Last production test was in Aug 05: 0 BOPD - 0 BWPD - 3 MCFGD.

XI. At present there are no fresh water wells producing within a one mile radius and analysis is not available.

AFFIRMATIVE STATEMENT

As required by Item XII of Form C-108, Layton Enterprises, Inc. has examined available geologic and engineering data and find no evidence of open faults or other hydrologic connection between the injection zone and any underground source of drinking water.

XIV

7005 0390 0001 2585 3295

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

LOVINGTON, NM 88260

OFFICIAL USE

Postage	$ 1.06	UNIT ID: 0412
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: KR904Z
Total Postage & Fees	$ 5.11	09/07/05

Sent To RHEA + CLARA HOWE
Street, Apt. No.; or PO Box No. 4620 PLAINS HWY
City, State, ZIP+4 LOVINGTON, NEW MEXICO 88260

PS Form 3800, June 2002 See Reverse for Instructions

N O T I C E

Pursuant to Section XIV of Form C-108, copies of the application have been mailed to the following:

Surface Owner: RHEA & CLARA HOWE
4620 Plains Highway
Lovington, New Mexico 88260

There are NO offset operators within one-half mile.

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM 94864

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
EL ZORRO FREMONT FED. #2

2. Name of Operator
LAYTON ENTERPRISES, INC.

9. API Well No.
30-025-34703

3a. Address
3103 79th St.
Lubbock, Texas 79423

3b. Phone No. *(include area code)*
806/745-4638

10. Field and Pool, or Exploratory Area
Allison Penn

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1880' FNL 1350' FEL
Sec 1, T9S, R36E

11. County or Parish, State
Lea County, New Mexico

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☒ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Intend to convert this well to water disposal service.
The Morrow Gas Zone is not economically productive.
Intend to set cast iron bridge plug @ 11,700 w/5 sx cement to cover Morrow Perfs @ 11,752-60, Set C.I.B.P. @ 10,000 w/5 sx cement w/9# mud laden fluid between plugs. Perforate Bough C Zone 9602-26 @ 4/ft, treat zone w/1000 gal 15% HCl acid, Run 2 7/8 Fiberglass lined tubing w/plastic coated packer set @ 9550, Install surface facilities and begin injection.
Anticipated rates are 200 to 1000 BD at zero surface pressure.
Application has been made to New Mexico Oil Conservation Commission, a copy of which is attached.

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
DONALD R. LAYTON

Title
President

Signature
Donald R. Layton

Date
9-7-05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertisting Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of September 7, 2005 and ending with the issue of September 7, 2005.

And that the cost of publishing said notice is the sum of $ 14.54 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 7th day of September 2005.

Debbie Schilling

Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2006

LEGAL NOTICE
Layton Enterprises, Inc. 3103 79th St., Lubbock, Texas, 79423, Donald R. Layton, 806/745-4638 has made application to the State of New Mexico Oil Conservation Division for permit to dispose of produced salt water into the El Zorro Fremont Federal #2 well located 1880 feet FNL and 1350 feet FEL, Sec. 1, Twp. 9S, R36E, Lea County, N.M. Injection will be into the Bough "C" (Penn) Formation at a depth of 9602-9626, anticipated maximum rates of 1000 B/D at zero pressure. Interested parties may file objection or request for hearing within 15 days to Oil Conservation Division, 1220 S. St. Francis Dr., Santa Fe, New Mexico 87505.

Published in the Lovington Daily Leader September 7, 2005.