

8/18/03 9/8/03

WVS

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PLR0323128003

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RECEIVED

AUG 18 2003

**OIL CONSERVATION
DIVISION**

24 SMITH ROAD
SUITE 170
MIDLAND, TX 79705
432-685-0981
August 14, 2003

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

30-025-28238

Re: Request for Administrative Approval
For Salt Water Disposal.
Federal 20 #5
1980 FSL & 1980 FWL
20-13S-33E
Lea County, NM

Gentlemen:

Please find attached an application for the referenced well to inject into a reservoir that is currently productive of oil and gas. All attachments to the C-108 are attached. With these documents in hand, American Inland Resources Co., LLC respectfully requests that this application be approved at your earliest convenience.

Called MIKE

9/23/03 for

- Pre-Conversion wellbore DIAGRAM

- Evidence of NOTICE to Hoken, Yates, TIPTON

Surface OWNER

Thank you,

Michael D. Prichard

Michael D. Prichard

notice to OK
Hoken
Yates
TIPTON - 8/21 ✓

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: American Inland Resources Company, LLC
ADDRESS: P.O. Box 50938; Midland, TX 79710
CONTACT PARTY: Michael D. Prichard PHONE: 432-685-0981
- 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 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: Michael D. Prichard TITLE: Operations Engineer
SIGNATURE: Michael D. Prichard DATE: 7/10/03
- * 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: _____

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, 2040 South Pacheco, 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.

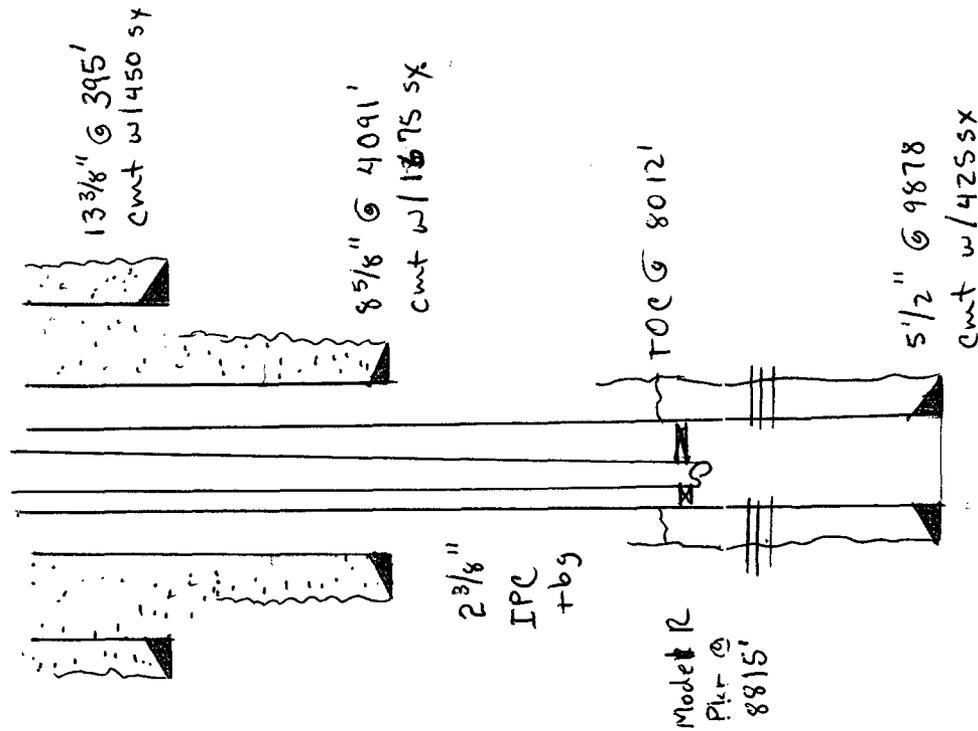
INJECTION WELL DATA SHEET

OPERATOR: American Inland Resources Company, LLC

WELL NAME & NUMBER: Federal 20 #5

WELL LOCATION: 1980 FSL and 1980 FWL
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE
K 20 13-S 33-E

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"
Cemented with: 450 sx. or ft³
Top of Cement: surface Method Determined: visual

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8"
Cemented with: 1675 sx. or ft³
Top of Cement: surface Method Determined: visual

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2"
Cemented with: 425 sx. or ft³
Top of Cement: 8012' Method Determined: calculated
Total Depth: 9878'

Injection Interval

8890 feet to 8913
(Perforated or Open Hole: indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-3/8" Lining Material: IPC

Type of Packer: Baker 5-1/2" Model R

Packer Setting Depth: 8815'

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? Oil Producer

2. Name of the Injection Formation: ABO

3. Name of Field or Pool (if applicable): Baum

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. 9720-9817

(Penn) CIBP at 9642'

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed Injection zone in this area: Bough C 9750 - 9850

VI.

Lease	Well No.	Operator	Status	Footage	U/L	Sec	Twnshp	Range	Date Completed	Total Depth	Surface Casing	Set	Sacks Cmt.	Intermediate Casing	Set	Sacks Cmt.	Production Casing	Set	Sacks Cmt.	Perfs	Method Completed
State 19	1	Tipton O&G	Active-Prod	1980 FSL & 660 FEL	I	19	13-S	33-E	10/23/68	9815	11-3/4"	358	325	8-5/8"	4100	400	5-1/2"	9815	400	9734-9747	500 gal 15% acid
Federal 20	2	Coastal States	P&A	660 FSL & 1980 FWL	N	20	13-S	33-E	9/17/68	9865	13-3/8"	362	400	8-5/8"	4080	300	5-1/2"	9852	300	9736-9746	500 gal acid
Federal 20	3	Coastal States	P&A	1930 FNL & 660 FWL	E	20	13-S	33-E	12/17/68	9915	13-3/8"	362	400	8-5/8"	4080	400	5-1/2"	9915	200	9777-9782	3000 gal acid
Federal 20	4	Coastal States	P&A	2080 FNL & 2080 FEL	G	20	13-S	33-E	1/26/69	9852	13-3/8"	375	400	8-5/8"	4075	300	5-1/2"	9854	200	9713-9732	2000 gal acid

FEDERAL 20 #5

CONVERT TO SWD

NMOCD Form C-108 Sections VII through XIII

VII.

- 1) The anticipated average injection rate is 500 BWPD and the anticipated maximum injection rate is 800 BWPD.
- 2) This is a closed system.
- 3) Anticipated average injection pressure is 500 psi. The maximum anticipated injection pressure is 1500 psi.
- 4) All injected water will be Penn produced water, ie., re-injected, produced water.
- 5) NA, zone is productive of oil within one mile of the well.

VIII. The proposed injection zone is designated the ABO. The lithology consists of a phylloid algal limestone interbedded with thin layers of shale. The ABO is found at approximately 8800' and is 120' to 135' thick. The Ogallala is the only source of drinking water in the area and the base is found at approximately 300 feet.

IX. The stimulation program will be a small volume matrix acid job, of approximately 1500 gallons of 15% HCl to existing perms, from 8890-8913.

X. This well was originally completed in 1984. It is assumed that logs were sent to the Oil Conservation Division at that time by the original operator.

XI. There are no known fresh water wells within one mile of this proposed SWD well.

XII. There are no known faults or other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. "Proof of Notice"

Copies of the return receipts will be sent as soon as they are returned. The C-108 applications were mailed to offset lease holders and the surface owner of record on August 14, 2003, via certified mail. Additionally, the affidavit of publication will be sent as soon as it is received. The legal advertisement was scheduled to run July 24 and July 31. If additional information is needed, please advise.

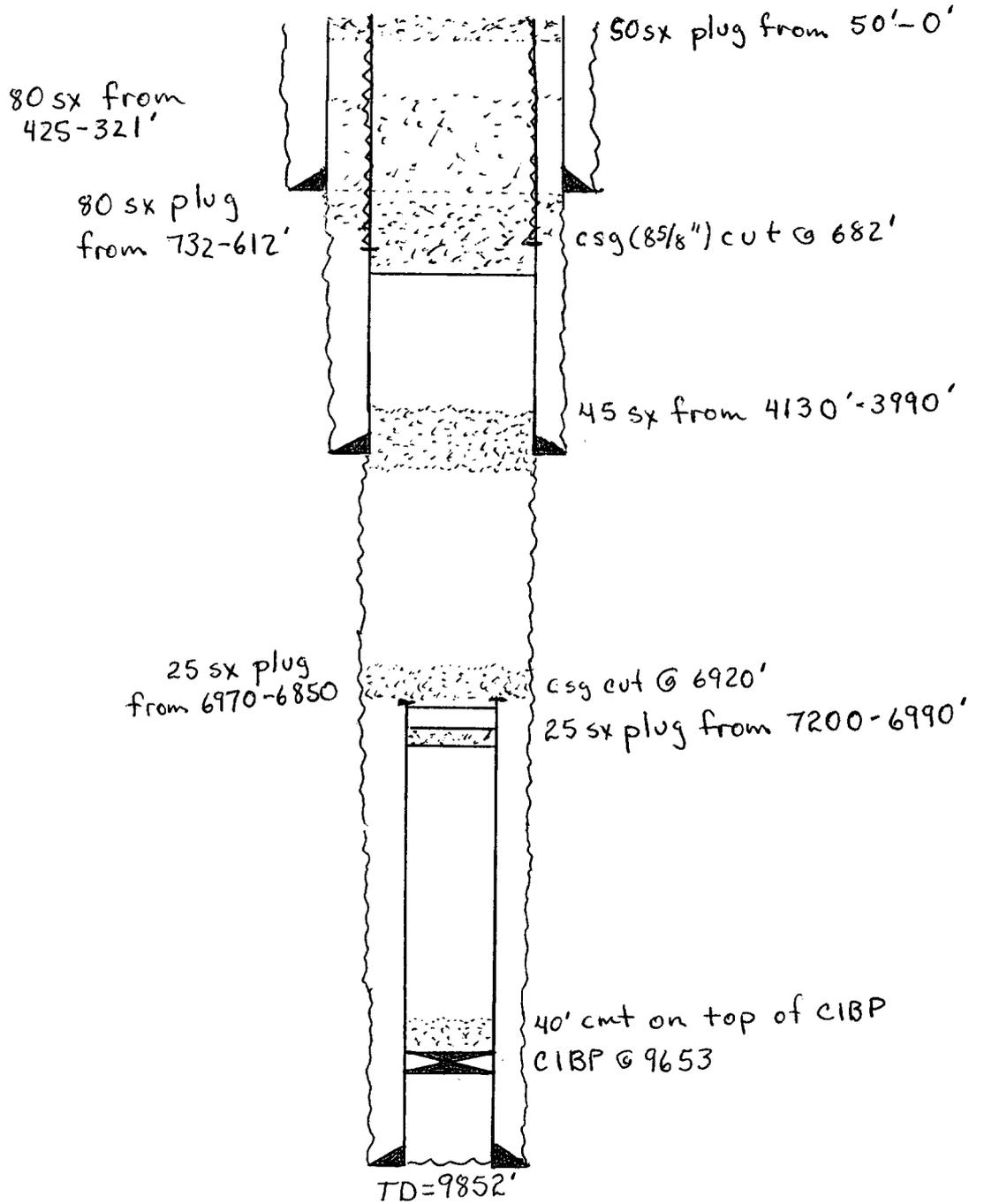
Well Statu: P&A Date 7/21/03

Lease: Federal 20 Well No. 4 Operator Coastal Oil & Gas Corp

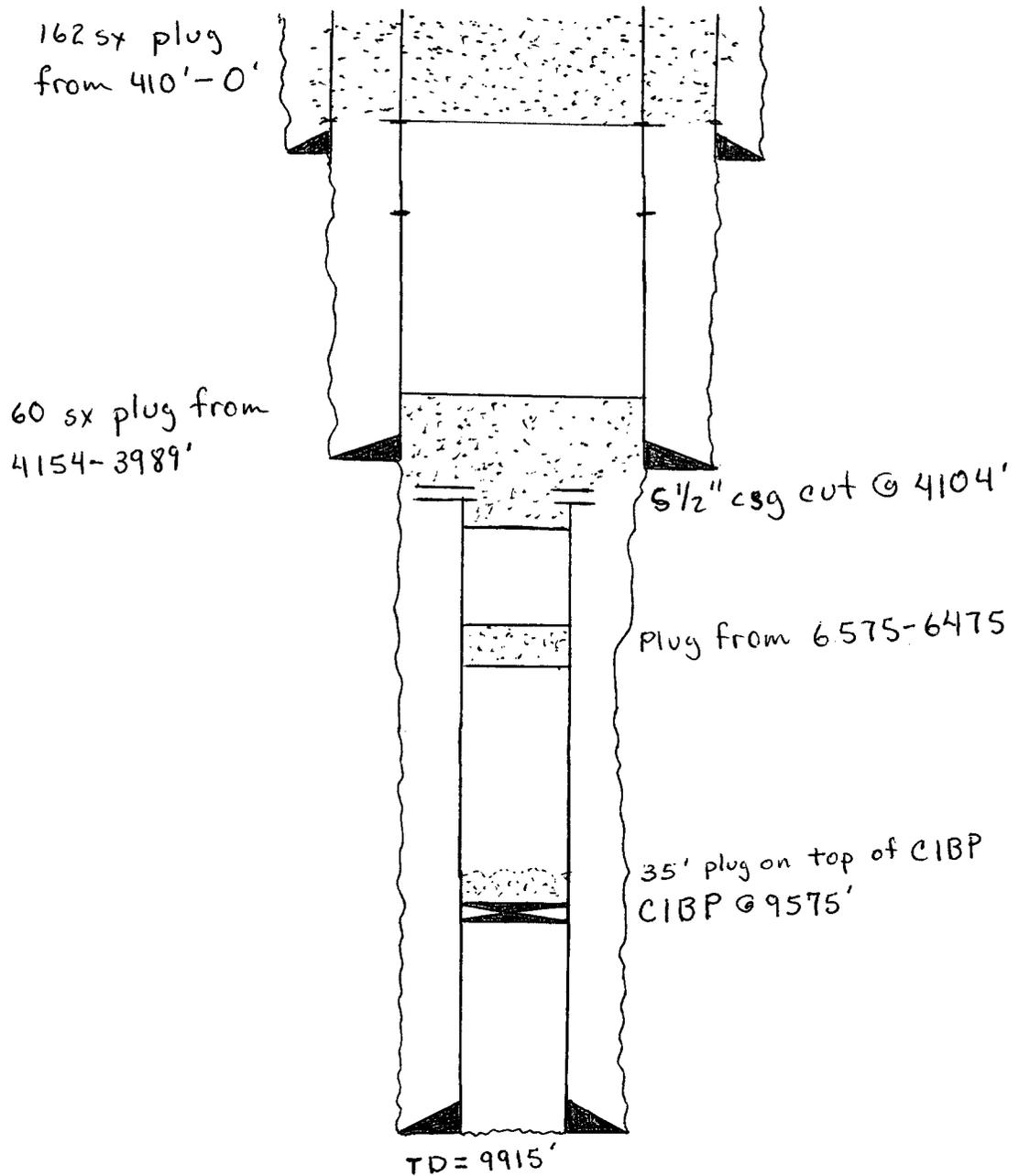
Location 2080' FNL & 2080' FEL Sec. 20 U/L G

Survey T-13-S, R-33-E County Lea State NM

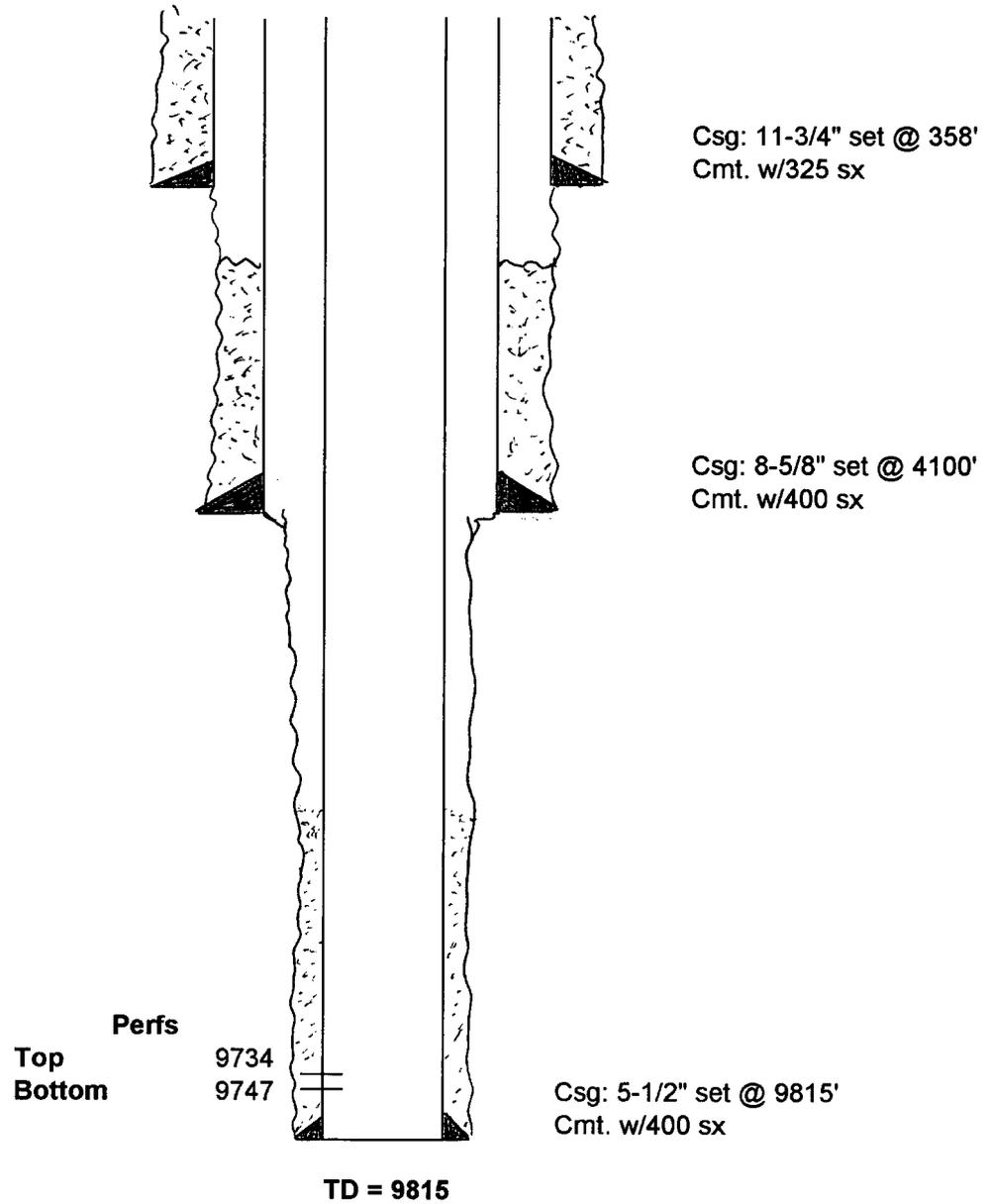
Elevation 4259.5' GL Remarks Spudded 12/28/68, Completed 1/26/69, IPF 335 bopd, 50 bwpd, 245 mcfpd



Well Status P&A Date 7/21/03
 Lease: Federal 20 Well No. 3 Operator Coastal Oil & Gas Corp
 Location 1930' FNL & 660' FWL Sec. 20 U/L E
 Survey T-13-S, R-33-E County Lea State NM
 Elevation 4258.2' GL Remarks Spudded 11/17/68, Completed 12/17/68, IPF 287 bopd, 50 bwpd, 210 mcfpd



Lease: State 19 #1 Well No. 1 Operator Tipton Oil & Gas Acquisitions, Inc.
Location 1980 FSL & 660 FEL Sec. 19 U/L I
Survey T-13-S, R-33-E County Lea State TX



AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 2 weeks.

Beginning with the issue dated July 24 2003 and ending with the issue dated

July 31 2003

Kathi Bearden
Publisher

Sworn and subscribed to before me this 31st day of

July 2003

Shard R...
Notary Public.

My Commission expires 5-8-07
(Seal)

LEGAL NOTICE
July 24, 31, 2003

American Inland Resources Co., LLC wishes to make public its request for administrative approval of an application for authorization to inject water into the Abo formation in its Federal "20" #5 well, located 1980' FSL and 1980' FWL of Section 20, T-13-S, R-33-E, Lea County, NM: The proposed interval of injection is through perms 8890-8913. The purpose of this well is to dispose of produced water from the Baum (U. Penn) Field wells operated by American Inland Resources Co., LLC. The anticipated maximum injection rate is 600 bwpd and the maximum injection pressure is 1000 psi.

Parties interested in filing objections or requests for a hearing concerning this matter must do so within fifteen (15) days at Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87504.

Additional information concerning this application can be obtained by contacting:

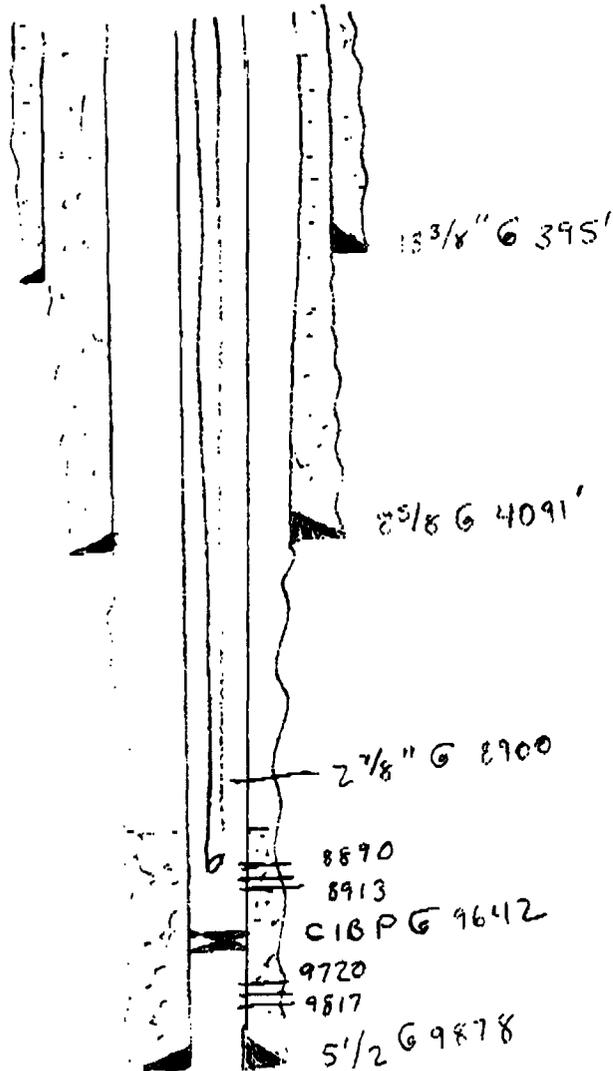
Michael D. Prichard
Operations Engineer
American Inland Resources Co., LLC
P.O. Box 50938
Midland, TX 79710
432-685-0981

#19996

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

67100824000 67515526
American Inland Resources Comp
P.O. Box 50938
MIDLAND, TX 79710

Federal 20 #5 Pre-Completion Schematic



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly) <i>Clay Tipton</i>	B. Date of Delivery <i>8/21/03</i>
1. Article Addressed to: <i>Tipton Oil & Gas Acquisitions P.O. Box 1234 Lovington, NM 88260</i>		C. Signature <i>X [Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. Article Number (Copy from service label) <i>7000 0520 0021 3205 8797</i>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt	
		102595-00-M-0952	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly) <i>Kathy Donaghe</i>	B. Date of Delivery <i>8-15-03</i>
1. Article Addressed to: <i>Yates Petroleum Corp. 104 S. 4th Street Artesia, NM 88210</i>		C. Signature <i>X [Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. Article Number (Copy from service label) <i>7000 0520 0021 3205 8919</i>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt	
		102595-00-M-0952	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly) <i>Norman Hahn</i>	B. Date of Delivery <i>8-16-03</i>
1. Article Addressed to: <i>Mr. Norman Hahn 1609 N. Main Jayton, TX 79528</i>		C. Signature <i>X [Signature]</i>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
2. Article Number (Copy from service label) <i>7000 0520 0021 3205 8810</i>		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt	
		102595-00-M-0952	

			1980S	1980W		20										
API	WELL NAME	OPERATOR	NS FTG	EW FTG	Dist	UL	Sec	Tsp	Rge	OGRD	TVD	UL2	LT	WT	PLUG DATE	OrigTarget
30-025-28238	FEDERAL 20 #005	AMERICAN INLAND RESOURCES COMPANY LLC	1980S	1980W	0	K	20	13S	33E	2E+05	9878	K	F	O	9999-12-31	
30-025-22705	FEDERAL 20 #002	PRE-ONGARD WELL OPERATOR	660S	1980W	1320	N	20	13S	33E	2E+05	9865	N	F	O	1900-01-01	COASTAL STATES GAS /FEDERAL 20
30-025-22940	FEDERAL 20 #004	EL PASO PRODUCTION OIL & GAS CO.	2080N	2080E	1725	G	20	13S	33E	4762	9854	G	F	O	1994-05-20	PLUGGED & ABANDONED
30-025-22860	FEDERAL 20 #003	EL PASO PRODUCTION OIL & GAS CO.	1930N	660W	1902	E	20	13S	33E	4762		E	F	O	1992-08-29	PLUGGED & ABANDONED
30-025-22765	STATE 19 #001	TIPTON OIL & GAS ACQUISITIONS, INC.	1980S	660E	2640	I	19	13S	33E	2E+05	9815	I	S	O	9999-12-31	
30-025-22448	FEDERAL 20 #001	AMERICAN INLAND RESOURCES COMPANY LLC	660S	660E	2951	P	20	13S	33E	2E+05	9840	P	F	S	9999-12-31	PENN
30-025-23040	PRE-ONGARD WELL #002	PRE-ONGARD WELL OPERATOR	660N	660W	2951	D	29	13S	33E	2E+05	10000	D	P	O	1900-01-01	COASTAL STATES GAS /CHAMBERS
30-025-22843	STATE 19 COM #002	PETROLEUM PRODUCTION MANAGEMENT INC	660N	660E	3733	A	19	13S	33E	17526	10324	A	S	O	2002-07-25	P&A 7-25-02 STATE OF NEW MEXICO
30-025-01074	BAUM STATE #001	EL PASO PRODUCTION OIL & GAS CO.	660N	660E	3733	A	20	13S	33E	4762	13570	A	F	S	1985-03-20	PLUGGED & ABANDONED
30-025-22799	PRE-ONGARD WELL #001	PRE-ONGARD WELL OPERATOR	1980N	1980W	3960	F	29	13S	33E	2E+05	9900	F	P	O	1900-01-01	COASTAL STATES GAS /CHAMBERS
30-025-28009	STATE DY #001	ELK OIL CO	1980S	1953W	5307	K	19	13S	33E	7147	10000	K	S	O	1997-04-04	PLUGGED & ABANDONED
30-025-22925	PRE-ONGARD WELL #001	PRE-ONGARD WELL OPERATOR	660N	1980W	5903	C	19	13S	33E	2E+05	9878	C	S	O	1900-01-01	BP AMERICA PRODUCTI/STATE DN
30-025-29128	STATE DY #003	J & J SERVICE INC	710N	660W	7090	D	19	13S	33E	11095	10000	I	S	O	9999-12-31	
30-025-28525	PRE-ONGARD WELL #002	PRE-ONGARD WELL OPERATOR	660N	660W	7108	D	19	13S	33E	2E+05	9984	I	S	O	1900-01-01	BP AMERICA PRODUCTI/STATE DY