

SEELY OIL COMPANY

815 WEST TENTH STREET
FORT WORTH, TEXAS 76102

April 14, 2000

State of New Mexico
Energy, Minerals and Natural Resources
Department
Oil Conservation Division
2040 Pacheco Street
Santa Fe, New Mexico 87505

Attn: Mr. David Catanach

Re: Application for Administrative
Approval
Expansion of Existing Waterflood
Project
Central EK Queen Unit
E-K Yates-Seven Rivers-Queen Field
Lea County, New Mexico
NMOCD Order No. R-9885-A

Gentlemen:

Seely Oil Company, as Operator of the Central EK Queen Unit (CEKQU) waterflood project, proposes to expand waterflood development on this project by converting to water injection the CEKQU Tract 11, Well No. 1, located in the NW/4 NW/4 of Section 17, T18S, R34E, Lea County, New Mexico.

The conversion of this well to water injection was not covered in NMOCD Order No. R-9885-A, and Seely Oil Company hereby requests the granting of administrative NMOCD approval for this conversion.

A NMOCD Form C-108, Application for Authorization to Inject, for this well has been completed as follows:

- (1) Form C-108 Items I, II, and IV have been addressed on the Form
- (2) A Well Data Sheet is attached to the Form C-108 to comply with Item III On the Form.
- (3) A map showing the CEKQU and offsetting acreage, the location of the Well proposed for conversion to water injection, and the area affected within a one-half mile radius around the proposed water injection well.

- (4) Information required under Items VI, VIII, X, and XI of Form C-108 Was presented at the Examiner Hearing before NMOCD on March 18, 1993, for wells that were of record at that time. Since then Seely Oil Company has drilled two wells in the Area of Review. The CEKQU #14 is a Queen Sand producer and the CEKQU #12 is a Queen Sand WIW. Well Data Sheets are enclosed.
- (5) As to Item VII of the Form C-108, fresh water from the Ogallala will be Injected into the Queen sand through casing perforations from 4434-4446' Overall at expected rates of 250 barrels per day at a maximum surface Pressure of 2000 pounds per square inch. Type of water injection facilities And injection fluid characteristics are the same as those presented at the March 18, 1993 Examiner Hearing.
- (6) No stimulation program is needed for this well in answer to Form C-108 Item IX.
- (7) Form C-108 Item XII is not applicable to a well proposed for conversion to water injection in a waterflood project.
- (8) Proof of Notice of the filing of this application has been mailed by certified mail to the owner of the surface of the land on which this well is located and each leasehold operator within one-half mile of the well location. An Affidavit is listed hereto listing all parties that were notified of this application by certified mail.

A notice of this application, a copy of which is attached hereto, was published In the Hobbs News-Sun on April 8, 2000. As proof of this notice publication an Affidavit from the Hobbs News-Sun is also attached hereto.

Your consideration and approval of this application at your earliest convenience would be appreciated. Any questions should be directed to the undersigned. Please contact the undersigned at 817/332-1377.

Very truly yours,

SEELY OIL COMPANY


David L. Henderson

DLH/wmw
Attachments

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APPLICATION FOR AUTHORIZATION TO INJECT

- ✓ I. PURPOSE: XX Secondary Recovery Pressure Maintenance ___ Disposal ___ Storage
Application qualifies for administrative approval? X Yes ___ No
- ✓ II. OPERATOR: Seely Oil Company
ADDRESS: 815 W. 10th St., Fort Worth, Tx. 76102
CONTACT PARTY: David L. Henderson PHONE: 817/332-1377
- ✓ III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.
- ✓ IV. Is this an expansion of an existing project: X Yes ___ No
If yes, give the Division order number authorizing the project R-9885-A CASE # 10448
- ✓ 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 geological data on the injection zone including appropriate lithologic detail, geological 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 source 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: David L. Henderson TITLE: Petroleum Engineer
SIGNATURE: David L. Henderson DATE: 4/11/00
- * 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 circumstance of the earlier submittal. Presented at the Examiner
Hearing before the NMOCD on March 18, 1993.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Seely Oil Company

WELL NAME & NUMBER: Central EK Queen Unit Tract 11 #1 (30-025-02328)

WELL LOCATION: 660' ENL & 661.5' FWL D 17 SECTION 185 TOWNSHIP 34E RANGE

FOOTAGE LOCATION: UNIT LETTER SECTION TOWNSHIP RANGE

WELBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Expected 250 bbls. of water injected per day @ 2000 psig via 2-3/8" tbg.

Hole Size: 12-1/4" Casing Size: 8-5/8" 24#/ft.

Cemented with: 200 sx. or ft³

Top of Cement: Surface Method Determined: Circulation

Intermediate Casing

8-5/8" 24#/ft. surface casing at 200' RKB. Cemented to surface.

Hole Size: _____ Casing Size: _____

5-1/2" 15.5#/ft. casing set at 4490' RKB. Cemented w/1200 sxs. _____ sx. or ft³

Top of Cement: _____ Method Determined: _____

Production Casing

2-3/8" Salta lined tbg. Set @ 4375± RKB w/plastic lined Baker AD-1 packer. Hole Size: 7-7/8" Casing Size: 5-1/2" 15.5#/ft. Cemented with: 1200 sx. or ft³

Top of Cement: 1800 (est.) Method Determined: Calculation

Total Depth: 4490' RKB

Injection Interval

4434' feet to 4446'

Queen Sand Perforations From 4434-4446' RKB.

Total Depth
4490'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-3/8" Lining Material: Salta (PVC)

Type of Packer: Baker AD-1 (plastic lined)

Packer Setting Depth: 4375± RKB

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

Additional Data

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

If no, for what purpose was the well originally drilled? Producer from
Queen Sand

2. Name of the Injection Formation: Queen Sand

3. Name of Field or Pool (if applicable): EK Yates-Seven Rivers-Queen

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. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None known at this time.

WELL DATA SHEET

OPERATOR: Seely Oil Company LEASE: Central EK Queen Unit

WELL NO.: 12 FOOTAGE: 1650' FSL & 990' FWL SECTION: 8-T18S-R34E

Unit Letter L

TUBULAR DATA

SURFACE CASING

SIZE: 8-5/8" 23#/ft. CEMENTED WITH: 830 SX.
TOC: Surface FEET DETERMINED BY: Circulation
HOLE SIZE: 12-1/4" SETTING DEPTH: _____

INTERMEDIATE CASING

SIZE: None CEMENTED WITH: _____ SX.
TOC: _____ FEET DETERMINED BY: _____
HOLE SIZE: _____ SETTING DEPTH: _____

LONG STRING

SIZE: 4-1/2" 11.6#/ft. CEMENTED WITH: 375 SX.
TOC: 3014' RKB FEET DETERMINED BY: CBL
HOLE SIZE: 7-7/8" SETTING DEPTH: 4484' RKB
TOTAL DEPTH: 4500' RKB

PRODUCING INTERVAL

FORMATION: Queen Sand POOL OR FIELD: EK-Yates-Seven Rivers-Queen
SPUD DATED: 7/15/97 COMPLETION DATE: 8/8/97
PERFORATED: 4378' FEET TO 4386' FEET

STIMULATION: Acid - 1000 gals. 15% MCA
Fracture treated w/10,000 gals. gelled wtr. w/15,000# 16/30 sand

OTHER PERFORATED ZONES: None

CURRENT STATUS

WHAT IS CURRENT STATUS OF WELL? Queen Sand water injection well

IF P&A, LIST PLUGGING DETAILS: _____

WELL DATA SHEET

OPERATOR: Seely Oil Company LEASE: Central EK Queen Unit

WELL NO.: 14 FOOTAGE: 990' FSL & 990' FEL SECTION: 7-T18S-R34E

Unit Letter P

TUBULAR DATA

SURFACE CASING

SIZE: 8-5/8" 23#/ft. CEMENTED WITH: 830 SX.
TOC: Surface FEET DETERMINED BY: Circulation
HOLE SIZE: 12-1/4" SETTING DEPTH: 1712' RKB

INTERMEDIATE CASING

SIZE: None CEMENTED WITH: _____ SX.
TOC: _____ FEET DETERMINED BY: _____
HOLE SIZE: _____ SETTING DEPTH: _____

LONG STRING

SIZE: 5-1/2" 17#/ft. CEMENTED WITH: 350 SX.
TOC: 2848' RKB FEET DETERMINED BY: CBL
HOLE SIZE: 7-7/8" SETTING DEPTH: 4500' RKB

TOTAL DEPTH: 4500' RKB

PRODUCING INTERVAL

FORMATION: Queen Sand POOL OR FIELD: EK-Yates-Seven Rivers-Queen
SPUD DATED: 11/16/97 COMPLETION DATE: 12/24/97
PERFORATED: 4374' FEET TO 4384' FEET

STIMULATION: Acid - 1500 gals. 15% MCA. Fracture stimulated w/10,000 gals. gelled wtr. and 15,500# 16/30 sand

OTHER PERFORATED ZONES: None

CURRENT STATUS

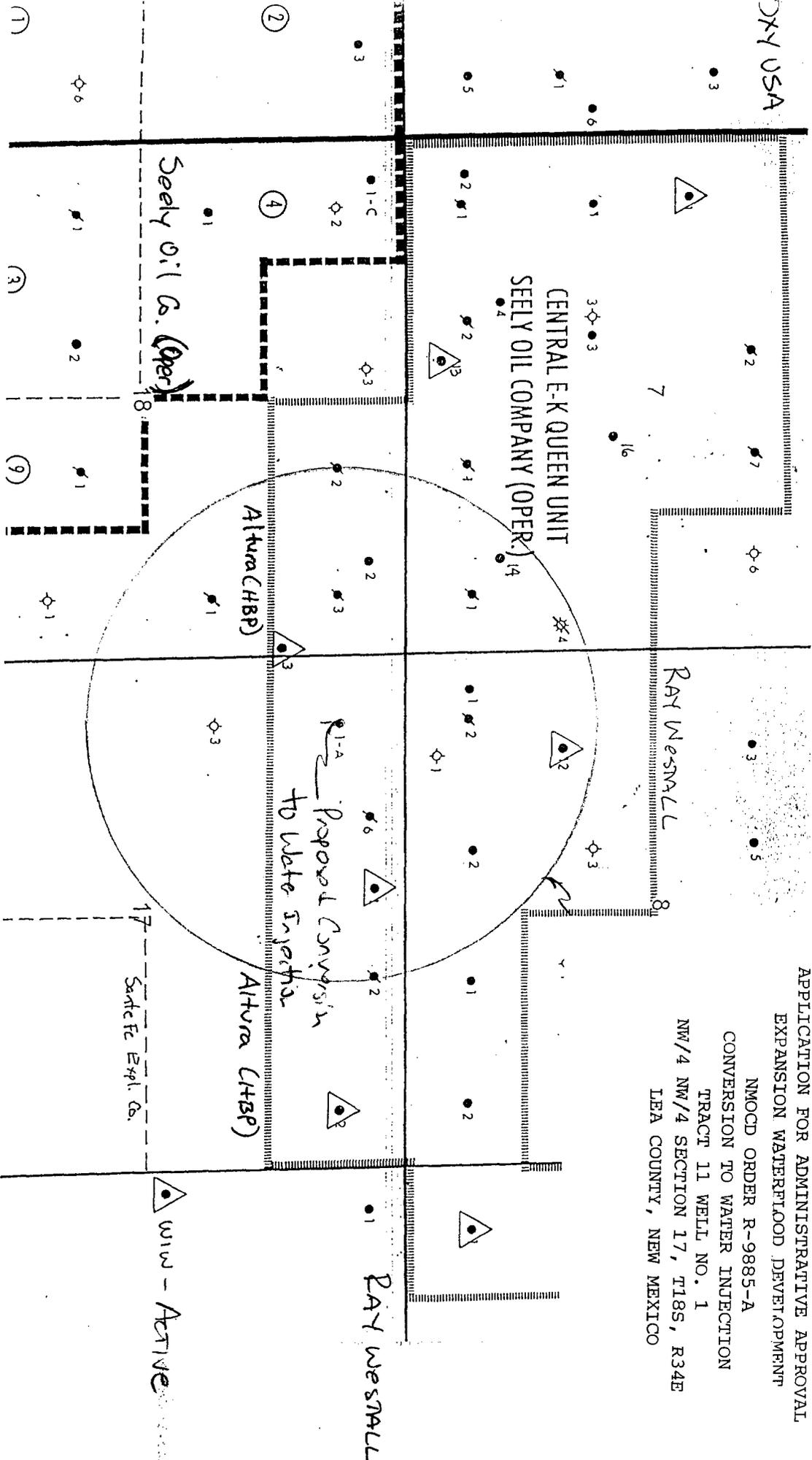
WHAT IS CURRENT STATUS OF WELL? Queen sand producer

IF P&A, LIST PLUGGING DETAILS: _____

SEELY OIL COMPANY
 CENTRAL EK QUEEN UNIT
 E-K YATES SEVEN RIVERS QUEEN FIELD
 LEA COUNTY, NEW MEXICO

ATTACHMENT

APPLICATION FOR ADMINISTRATIVE APPROVAL
 EXPANSION WATERFLOOD DEVELOPMENT
 NMOC ORDER R-9885-A
 CONVERSION TO WATER INJECTION
 TRACT 11 WELL NO. 1
 NW/4 NW/4 SECTION 17, T18S, R34E
 LEA COUNTY, NEW MEXICO



OKY USA

Seely Oil Co. (Oper)

CENTRAL E-K QUEEN UNIT
 SEELY OIL COMPANY (OPER.)

RAY WESSALL

Altura (HBP)

Altura (HBP)

Proposed Conversion
 to Water Injection

Sartre Expl. Co.

w/w - Active

RAY WESSALL

SEELY OIL COMPANY
CENTRAL EK QUEEN UNIT
E-K YATES SEVEN RIVERS QUEEN FIELD
LEA COUNTY, NEW MEXICO

ATTACHMENT
APPLICATION FOR ADMINISTRATIVE APPROVAL
EXPANSION WATERFLOOD DEVELOPMENT
NMOCD ORDER R-9885-A
CONVERSION TO WATER INJECTION
TRACT 11 WELL NO. 1
NW/4 NW/4 SECTION 17, T18S, R34E
LEA COUNTY, NEW MEXICO

CERTIFICATION OF NOTICE
OF APPLICATION

State of New Mexico (Surface Owner)
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attention: Mr. Pete Martinez

Mr. Ray Pearce (Surface Lessee)
1717 Jackson
Pecos, Texas 79772

Altura Energy LTD (Offset Operator)
P. O. Box 4294
Houston, Texas 77210-4294

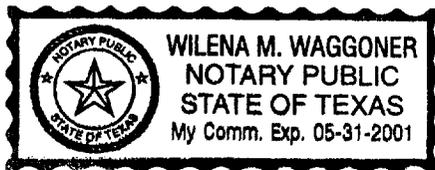
Cimarron Exploration (Offset
P. O. Box 1592 Operator)
Roswell, New Mexico 88202

ABOVE PARTIES WERE FURNISHED A COPY OF NEW MEXICO OIL
CONSERVATION DIVISION FORM C-108 FOR THIS PROPOSED WATERFLOOD
EXPANSION PER COPIES OF CERTIFICATION NOTICES ON REVERSE SIDE.

SEELY OIL COMPANY

David L. Henderson

SWORN AND SUBSCRIBED TO BEFORE ME THIS 14th DAY OF APRIL,
2000.



Wilena M. Waggoner
Notary Public in and for the State
Of Texas

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

RAY PEARCE JR
1717 JACKSON
PECOS TX 79772

4a. Article Number

Z 110-793-058

4b. Service Type

- Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

4-14-00 SM 7-203

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P O BOX 1148
SANTA FE NM 87504-1148
ATTN PETE MARTINEZ

4a. Article Number

Z 110-793-059

4b. Service Type

- Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

CIMARRON EXPLORATION
P O BOX 1592
ROSWELL NM 88202-1592

4a. Article Number

Z 110 793 072

4b. Service Type

- Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

ALTURA ENERGY LTD
P O BOX 4294
HOUSTON TX 77210-4294

4a. Article Number

Z-110-793-057

4b. Service Type

- Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

APR 17 2000

TURN ADDRESS completed on the reverse side?

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

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 1 weeks.

Beginning with the issue dated April 8 2000

and ending with the issue dated April 8 2000

Kathi Bearden
Publisher

Sworn and subscribed to before me this 10th day of

April 2000

Jodi Benson
Notary Public.

My Commission expires
October 18, 2000
(Seal)

LEGAL NOTICE

April 8, 2000

Seely Oil Company, 815 West Tenth Street, Fort Worth, Texas 79102, telephone number 817/332-1377, contact party, David Henderson or C.W. Stumhoffer, proposes to expand waterflood development on the Central EK Queen Sand Unit by converting to water injection the Tract 11 Well No. 1 well located in the Northwest Quarter of the Northwest Quarter of Section 17, Township 18 South, Range 34 East, Lea County, New Mexico. Water injection zone will be the Queen Sand through casing perforations from 4434 feet to 4446 feet to below ground level at expected rates of 250 barrels per day at a maximum surface injection pressure of 2000 pounds per square inch. Injection will be down Salta coated tubing set on packer above casing perforations. Interested parties must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87504-2088 within fifteen days of this notice.
#17312

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.

01100509000 02536872
Seely Oil Company
815 W. Tenth Street
Fort Worth, TX 76102

WFX-758



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

4/17/00

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Seely Oil Co Central & Green Ut Tr II # 1-D-17-185-34e
 Operator Lease & Well No. Unit S-T-R Apc 30-025-02328

and my recommendations are as follows:

No - no proof of notice

Yours very truly,

Chris Williams
Supervisor, District 1

/ed