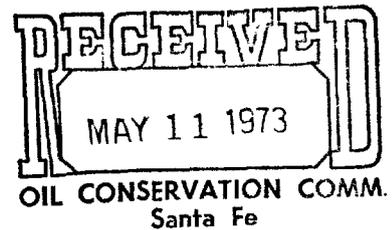


TRUCKERS WATER COMPANY

P. O. Box 1196
Eunice, New Mexico
88231
April 9, 1973



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.

Re: Administrative Approval
Proposed SWD Well No. 1

Gentlemen:

Truckers Water Company respectfully requests administrative approval to convert to salt water disposal a temporarily abandoned well located 660' FSL and 660' FWL of Section 2, Township 23 South, Range 37 East, Lea County, New Mexico. Attached are Commission Form C-108 with accompanying location plat, diagrammatic sketch of the proposed salt water disposal well and Waiver of Objection.

It is proposed to squeeze cement the perforated interval 2960-80' with 100 sacks of cement. A Baker Model "D" packer will be run on 2-3/8" plastic-lined tubing and set in the 5-1/2" casing at a depth of 3924'; the tubing-casing annulus will be loaded with treated water. Salt water will be disposed in an existing perforated interval 4072-4144' and open hole interval 4484-4500'.

Salt waters collected from batteries not connected to existing salt water disposal systems in Lea and Eddy Counties will be trucked to the proposed SWD Well No. 1 for disposal. The anticipated daily injection volume will be 500 barrels of salt water.

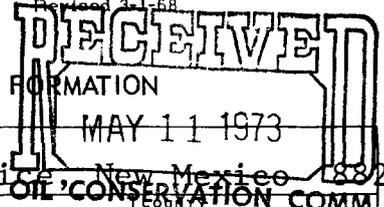
Yours very truly,

TRUCKERS WATER COMPANY

A handwritten signature in cursive script, appearing to read "E. S. Baker", written over the printed name of the company.

NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION



| | | | |
|--|---------------|--|--|
| OPERATOR Truckers Water Company | | ADDRESS P. O. Box 1196 Eunice, New Mexico 88231 | |
| LEASE NAME Salt Water Disposal | WELL NO. 1 | FIELD Eunice Area | |
| LOCATION UNIT LETTER <u>M</u> ; WELL IS LOCATED <u>660</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE, SECTION <u>2</u> TOWNSHIP <u>23S</u> RANGE <u>37E</u> NMPM. | | | |

CASING AND TUBING DATA

| NAME OF STRING | SIZE | SETTING DEPTH | SACKS CEMENT | TOP OF CEMENT | TOP DETERMINED BY |
|--|---|---|--|------------------------------|-------------------|
| SURFACE CASING | | | | | |
| H-40 | 32# | 8-5/8" | 325' | 200 | Surface |
| INTERMEDIATE | | | | | |
| LONG STRING | | | | | |
| J-55 | 17# | 5-1/2" | 4484' | 150 | 3835' |
| TUBING | | | | | |
| J-55 | 4.6# | 2-3/8" | 3924' | Baker Model "D" set at 3924' | |
| NAME OF PROPOSED INJECTION FORMATION San Andres | | | TOP OF FORMATION 3924' | BOTTOM OF FORMATION 5100' | |
| IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing | | PERFORATIONS OR OPEN HOLE? Perfs & Open hole | PROPOSED INTERVAL(S) OF INJECTION Perf. 4072-4144'; Open hole 4500' | | |
| IS THIS A NEW WELL DRILLED FOR DISPOSAL? No | IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil | | HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? Yes | | |

LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH
 Perforated interval 2960 - 80' squeezed w/100 sx. cmt.

| | | |
|--|--|--|
| DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300' | DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3700' | DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5600' |
|--|--|--|

| | | | | | |
|---|-----------------|-------------------|--------------------------------|---|------------------------------------|
| ANTICIPATED DAILY INJECTION VOLUME (BBL.S.) 500 | MINIMUM 2000 | MAXIMUM Closed | OPEN OR CLOSED TYPE SYSTEM | IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity | APPROX. PRESSURE (PSI) None |
| ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - | | | WATER TO BE DISPOSED OF Yes | NATURAL WATER IN DISPOSAL ZONE Yes | ARE WATER ANALYSES ATTACHED? No |

NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND)
 R. R. Sims Box 987 Jal, New Mexico 88252

LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL
 Skelly Oil Company P. O. Box 1351 Midland, Texas 79701

| | | |
|--|----------------------|--|
| HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? Yes | SURFACE OWNER Yes | EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes |
| ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) Yes | PLAT OF AREA Yes | ELECTRICAL LOG No |
| | | DIAGRAMMATIC SKETCH OF WELL Yes |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

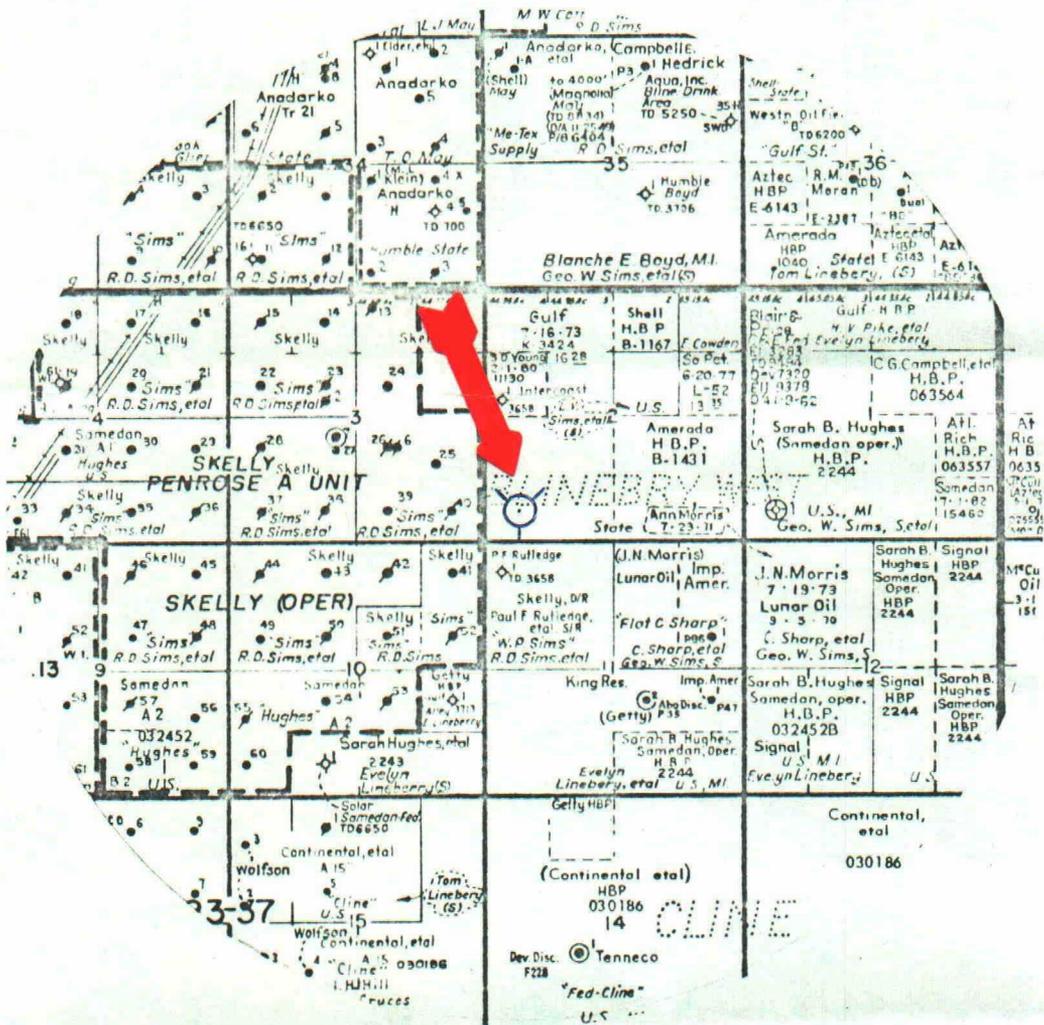
X B Bunkley
(Signature)

Walter P. ...
(Title)

3/22/73

(Date)

NOTE: Should waivers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

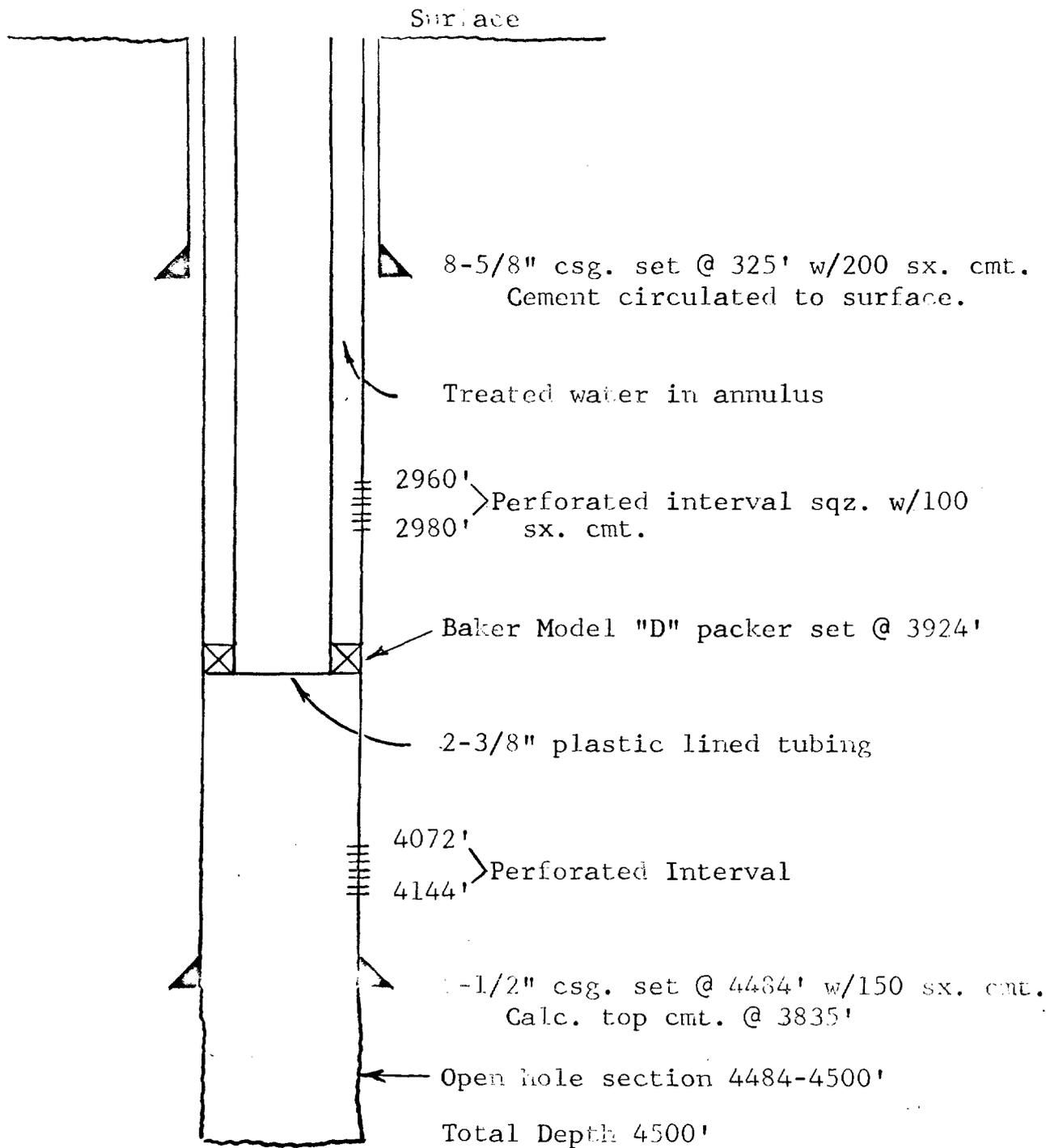


LEGEND:

All wells producing from formations which are non-contiguous to the San Andres.

PLAT OF AREA

Proposed SWD Well No. 1
 TRUCKERS WATER COMPANY
 March 1973

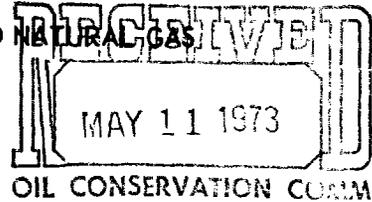


| | | | |
|---|------|-----|--|
| DIAGRAMMATIC SKETCH PROPOSED SALT WATER DISPOSAL WELL NO. 1 SW/4 SW/4 Section 2, T23S, R37E, Lea County, New Mexico | | | |
| DWN. | 3/73 | IVR | TRUCKERS WATER COMPANY EUNICE, NEW MEXICO |
| | | | |
| | | | SCALE Name DWG. NO. 170 |

| | |
|------------------|-----|
| DISTRIBUTION | |
| SANTA FE | |
| FILE | |
| U.S.G.S. | |
| LAND OFFICE | |
| TRANSPORTER | OIL |
| | GAS |
| OPERATOR | |
| PRORATION OFFICE | |

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
 Supersedes Old C-104 and C-110
 Effective 1-1-65



I. OPERATOR
 Operator: Truckers Water Company, Inc. Santa Fe
 Address: Box 1196, Eunice, New Mexico 88231
 Reason(s) for filing (Check proper box):
 New Well Change in Transporter of: Oil Dry Gas
 Recompletion Casinghead Gas Condensate
 Change in Ownership

If change of ownership give name and address of previous owner: Millard Deck Oil Company

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|---|-----------------------|---|--|-----------|
| Lease Name Gulf State #1 | Well No. #1 | Pool Name, Including Formation San Andres | Kind of Lease State, Federal or Fee State | Lease No. |
| Location Unit Letter <u>M</u> ; <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line of Section <u>2</u> Township <u>23</u> Range <u>37</u> , NMPM, <u>Lea</u> County | | | | |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS Not Applicable

| | | | | | |
|---|--|------|------|------|---------------------------------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) | | | | |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) | | | | |
| If well produces oil or liquids, give location of tanks. | Unit | Sec. | Twp. | Rge. | Is gas actually connected? When |

If this production is commingled with that from any other lease or pool, give commingling order number: _____

IV. COMPLETION DATA

| | | | | | | | | |
|--|--|----------|--|----------|----------------------------------|-----------|-------------|--------------|
| Designate Type of Completion - (X) | Oil Well <input checked="" type="checkbox"/> | Gas Well | New Well <input checked="" type="checkbox"/> | Workover | Deepen | Plug Back | Same Res'v. | Diff. Res'v. |
| Date Spudded 12-13-72 | Date Compl. Ready to Prod. 1-10-73 | | Total Depth 4500' | | P.B.T.D. 4490 | | | |
| Elevations (DF, RKB, RT, GR, etc.) 3298 Gr | Name of Producing Formation | | Top Oil/Gas Pay | | Tubing Depth 2800 | | | |
| Perforations 4073-4142 3564-3681 2682-2905 | | | | | Depth Casing Shoe 4500 | | | |
| TUBING, CASING, AND CEMENTING RECORD | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | SACKS CEMENT | | | |
| 11" | 8 5/8 | | 325' | | 200 | | | |
| 7 7/8" | 5 1/2 | | 4484' | | 150 | | | |
| | 2 3/8 | | 3924' | | | | | |

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL Not Applicable (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

| | | | |
|---------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tanks | Date of Test | Producing Method (Flow, pump, gas lift, etc.) | |
| Length of Test | Tubing Pressure | Casing Pressure | Choke Size |
| Actual Prod. During Test | Oil-Bbls. | Water-Bbls. | Gas-MCF |

GAS WELL Not Applicable

| | | | |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test-MCF/D | Length of Test | Bbls. Condensate/MMCF | Gravity of Condensate |
| Testing Method (pitot, back pr.) | Tubing Pressure (shut-in) | Casing Pressure (shut-in) | Choke Size |

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

RJ Brady
 (Signature)
Vice President
 (Title)

 (Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19____
 BY _____
 TITLE _____

This form is to be filed in compliance with RULE 1104.
 If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
 All sections of this form must be filled out completely for allowable on new and recompleted wells.
 Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
 Separate Forms C-104 must be filed for each pool in multiply

2.

In accordance with this agreement, Truckers Water Company, Inc., the Assignee herein, shall perform all of the Assignor's obligations expressed or implied under the aforementioned Sublease Operating Agreement, and shall in all things comply with all of the Assignor's obligations expressed or implied under that certain assignment hereinabove referred to dated February 22, 1973, between the Assignor herein and Gulf Oil Corporation.

3.

The assignee herein shall protect and indemnify and hold the Assignor herein harmless from any and all claims, demands and causes of action of every kind and character arising out of, incident to, or resulting directly or indirectly from the disposal operations to be conducted on the above described premises as well as from any other operations or activities conducted by Truckers Water Company, Inc. or its Assignee hereunder.

THIS AGREEMENT and the terms hereof shall inure to the benefit of, and be binding upon the parties hereto, their successors or assigns.

DATED this 27th day of February, 1973.

ATTEST:

Lola Moran
SECRETARY

MILLARD DECK OIL COMPANY

By Millard Deck
PRESIDENT

ATTEST:

Mary Martin
SECRETARY

TRUCKERS WATER COMPANY, INC.

By D. Baker
VICE-PRESIDENT

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

The foregoing instrument was acknowledged before me this 27th
day of February, 1973, by Millard Deck, President of Millard Deck Oil
Company, a New Mexico corporation, of behalf of said corporation

Lola P. Moran
NOTARY PUBLIC

My Commission Expires:

Sept. 12, 1973

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

The foregoing instrument was acknowledged before me this 27th
day of February, 1973, by R. J. Brakey, Vice-President of Truckers
Water Company, Inc., a New Mexico corporation, of behalf of said corporation.

Walter Harold Martin
NOTARY PUBLIC

My Commission Expires:

8-22-76

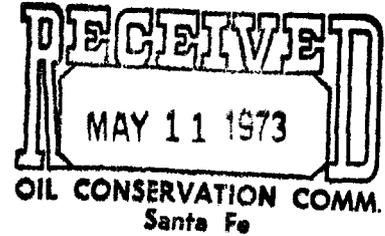
TRUCKERS WATER COMPANY

P. O. Box 1196

Eunice, New Mexico

88231

May 9, 1973



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTN: J. E. Kapteina, Petroleum Engineer

Gentlemen:

We are re-submitting our request for administrative approval on proposed SWD well No. 1 and enclosing copies of ownership assignments, C-104 and plugging bond.

Millard Deck Oil Company assures us all forms and logs required by the Commission Rules and Regulations have been filed.

Yours truly,

TRUCKERS WATER COMPANY

A handwritten signature in cursive script, appearing to read "R. J. Brakey".

R. J. Brakey
Vice-president

RJB/mm

Sept 6, 1973

State of New Mexico



TELEPHONE
505-827-2748

Commissioner of Public Lands

September 6, 1973

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Truckers Water Company, Inc.
P. O. Box 1196
Eunice, New Mexico 88231

Re: Salt Water Disposal Well Site Easement (RW-18292)
OCC Order No. SWD-138

Attn: Ms. Mary Martin

Gentlemen:

Enclosed please find photo-copy of an attachment to the New Mexico Oil Conservation Commission well records in connection with the Millard Deck Gulf State Well proposed to be used for a Salt Water Disposal Well.

It is possible that the New Mexico Oil Conservation Commission will require all perforations in the casing on this well to be squeezed off. Please furnish this office with a diagrammatic sketch of this proposal to squeeze off all zones perforated according to the information submitted by Millard Deck.

It will be appreciated if you will also furnish a copy of your reply to the New Mexico Oil Conservation Commission Attn: Mr. J. E. Kaptina, ✓
P. O. Box 2088, Santa Fe, New Mexico 87501.

As soon as this information is received your application will be further processed.

Very truly yours,

Ray D. Graham
RAY D. GRAHAM, DIRECTOR
OIL AND GAS DIVISION

RDG:cw
Enclosure

cc: New Mexico Oil Conservation Commission ✓
P. O. Box 2088
Santa Fe, New Mexico 87501

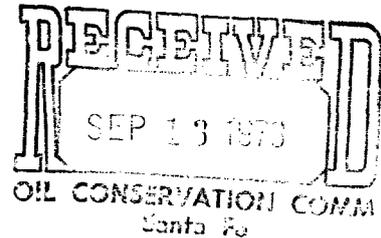
cc: Commissioner

TRUCKERS WATER COMPANY, INC.

P. O. Box 1196

Eunice, New Mexico 88231

September 7, 1973



Mr. Ray D. Graham, Director
Oil and Gas Division
State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87501

RE: OCC Order No. SWD-138

Dear Sir:

Pursuant to our telephone conversation this hour, please be advised and assured that Truckers Water Company does agree to squeeze all perforations above the San Andres formation as are indicated to be perforated by Millard Deck, as per attachment.

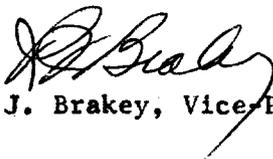
The perforations will be squeezed to the satisfaction of the Oil Conservation Commission.

The pits that you have requested of Gulf Oil Corporation to be filled, will be used in recompletion of the well and will be filled after such re-completion.

Thanking you in advance for your advise and consideration.

Yours truly,

TRUCKERS WATER COMPANY, INC.


R. J. Brakey, Vice-President

cc: Mr. J. E. Kaptina ✓
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

cc: Mr. Chuck Borland
Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240

C
O
P
Y

ATTACHMENT

OPERATOR: LEASE NAME:
Millard Deck Gulf State

Handwritten notes and stamps, including a date stamp that appears to read "JAN 23 1973".

- 1-3-73 Perforated 5 $\frac{1}{2}$ " casing with LJS at 4073', 4074', 4076', 4091', 4092', 4096', 4097', 4120', 4121', 4124', 4125', 4134', 4138', 4140', 4141', and 4142'.
- 1-6-73 Treated perforations from 4073' to 4142' with 1000 gallons 15% NE acid. Swabbed and flowed 50 BWPH.
- 1-9-73 Set CLBP at 3900'. Dumped 2 sacks cement. Perforated 3564' thru 3570', 3575' thru 3578', 3610' thru 3620', 3670 thru 3673', and 3677' thru 3681'. Treated perforations with 2000 gallons 15% NE acid. Frac with 60,000 gallons gelled brine and 120,000# of sand.
- 1-10-73 Perforations from 3564' thru 3681' swabbed and flowed 30 BFPH, 2% oil.
- 1-22-73 Set RBP at 3050'.
Perforated 2862' thru 2865', 2876' thru 2884', and 2898' thru 2905'.

Treated perforations with 1000 gallons 15% NE acid.
- 1-23-73 Fracture treat perforations using 40,000 gallons gelled brine with 40,000# of sand.
- 1-24-73 Open up - flowing 800 BPD, 100% water. SI

ILLEGIBLE

NEW MEXICO OIL CONSERVATION COMMISSION
Hobbs, New Mexico

WATER ANALYSIS

Well Ownership: TRUCKERS WATER COMPANY, INC. Well No. #1

Land Status: State Federal Fee

Well Location: Unit M, Section 2, T 23 S - R 37 E

"GULF STATE" LEASE

Type ~~WELL~~: _____ Depth: _____ feet.

Well Use: Salt Water Disposal Well

Sample Number: #5 Date Taken: Dec. 18, 1973
By: Dan Nutter

Specific Conductance: _____ m/cm

Total dissolved Solids: _____ PPM.

Chlorides: 153,360.0 PPM.

Sulfates: _____ PPM.

Ortho-phosphates: V. low Low Med. High

Sulfides: None Low Med. High

_____ :

Date Analyzed: Dec. 19, 1973 By: John W. Runyan
N.M.O.C.C.

Remarks: Water sample taken from spill on ground at SWD well.

Chloride content of sample indicates that it was produced water from the Queen
formation (Queen produced water averages between 140,000 and 170,000 ppm chlorides).