

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☐ no
- II. Operator: OGR Operating Company, Inc.
Address: Suite 1140 Two First City Center, Midland, TX 79702
Contact party: Thom O'Brien/Jan Foust Phone: (915) 682-6373
- 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 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 source 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: Thom O'Brien Title Vice-President
Signature: [Signature] Date: January 22, 1986
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance 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 name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

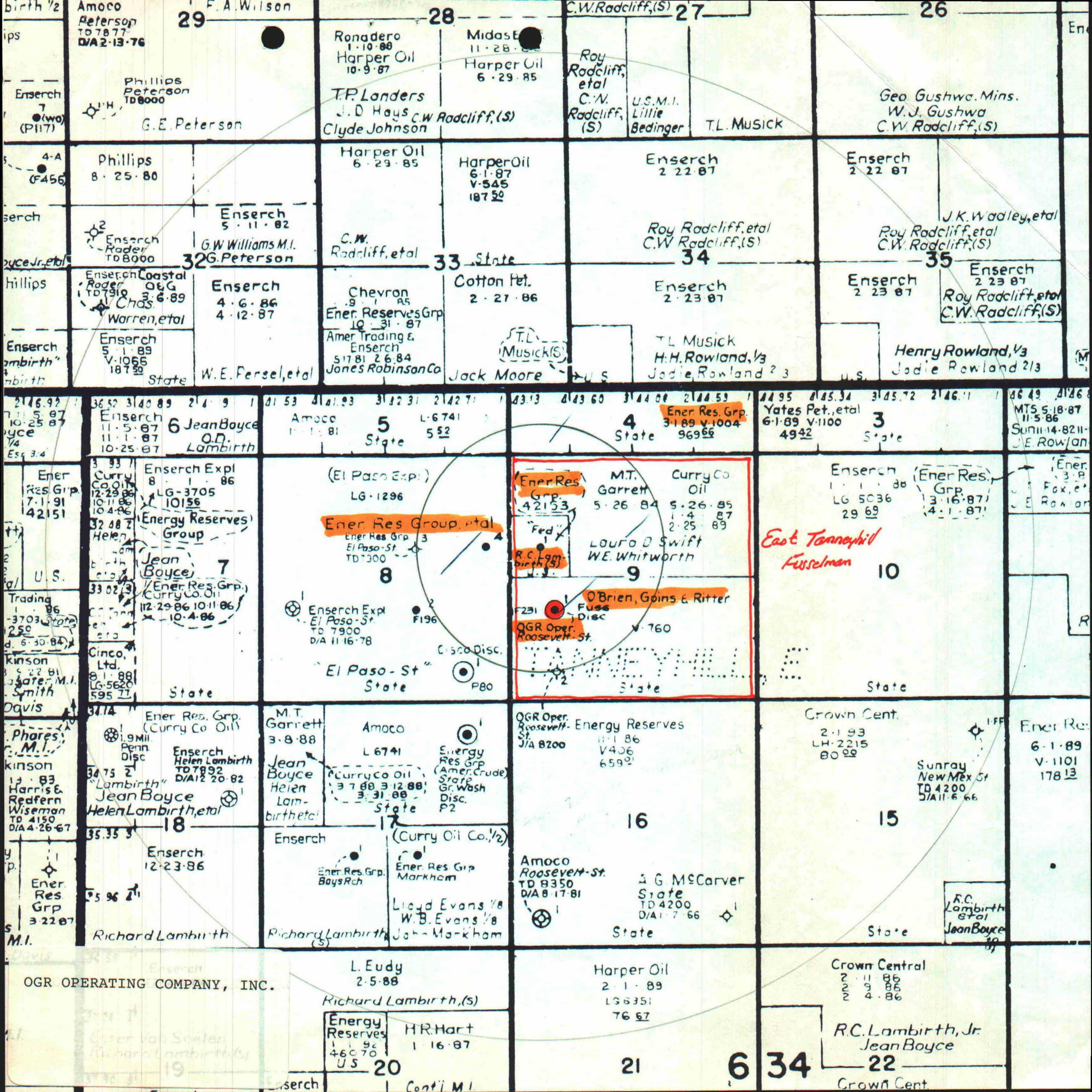
All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

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, P. O. Box 2088, Santa Fe, New Mexico 87501 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.



Form C-108 - Attachment

VII. 1. Average fluids - 450
Maximum fluids - 600 rate and volume

2. Closed system

3. Average injection pressure: 500
Maximum injection pressure: 2200

4. Reinjecting produced water — *Fusselman*

5. NA

VIII. Injection zone - Fusselman 7884-8022'
Overlying aquifer is Ogallala
No underlying

IX. None

X. On file

XI. None - wells drilled non-productive

XII. Available geologic and engineering data has been examined and no evidence of open faults or hydrologic connection between the disposal zone and the aquifer was discovered.

III. Well Data

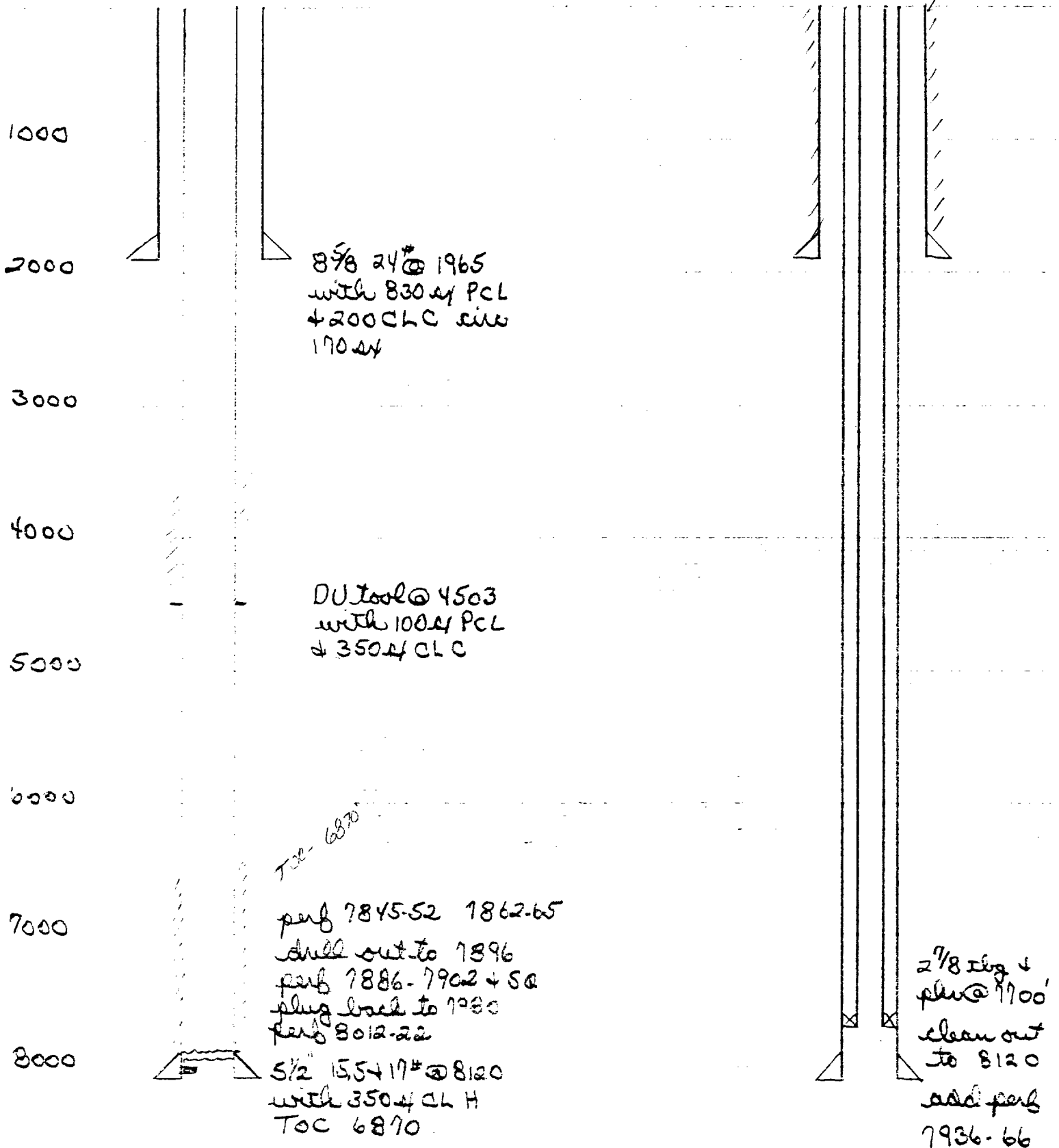
- A. (1) Federal 9, No. 1, Sec. 9, T-6-S, R-34-E, 660' FWL,
1980' FNL
(2) See attachment
(3) See attachment
(4) See attachment

- B. (1) Fusselman, Peterson, South
(2) 7884-8022, perforated
(3) Oil and Gas
(4) Attached
(5) Higher - Cisco 7650'
Lower - None

Federal 9 #1
 1980 fwh + 660 fwh sec 9 Twp 6S Rge 34E
 Roosevelt Co. N.M.

present

proposed



Form C-108
III. Well Data
A. (2)

IT IN DUPLICATE

(See instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RENVR. ☐ Other _____

2. NAME OF OPERATOR

Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 2437, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1980' FNL & 660' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

3/12/84

12. COUNTY OR PARISH

Roosevelt

13. STATE

N. M.

15. DATE SPUDDED

3/26/84

16. DATE T.D. REACHED

4/14/84

17. DATE COMPL. (Ready to prod.)

5/14/84

18. ELEVATIONS (DF. RKB, RT. GR, ETC.)*

4367.6 GL

19. ELEV. CASINGHEAD

GL

20. TOTAL DEPTH, MD & TVD

8120 MD

21. PLUG, BACK T.D., MD & TVD

7896 MD

22. IF MULTIPLE COMPL. HOW MANY*

No

23. INTERVALS DRILLED BY

ROTARY TOOLS

0-8120

CABLE TOOLS

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

7884-96 Fusselman

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Comp. Neutron - Litho Density & Dual Laterolog Micro-SFC

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24	1967	12 1/4	1000	None
5 1/2	15.5 & 17#	8120	7 7/8	350	None
	w/DV tool @	4507'		450	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
none				

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	7895	NA

31. PERFORATION RECORD (Interval, size and number)

8012-22 w/1 JSPF
7886-7902 w/1 JSPF
7884-90 w/1 JSPF
7890-96 w/1 JSPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8012-22	1000 gal NeFe CIBP @ 7980
7886-7902	2000 gal 15% NeFe sq w/100 sx
7884-90	500 gal 15% retarded
7884-96	1750 gal 15% retarded

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
5/14/84		pumping 1 1/4" x 22'				Prod.	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
6/28/84	24	NA	→	28	54	72	1929-SCF/bbl
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
NA	80#	→	28	54	72	50.4	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

sold

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Logs, inclination report

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

Production Engineer III

DATE

7/3/84

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Penn Detrital	7792	7875	Gas to surface in 30 min. @ 40# psi. 1/2 hr preflow. 1 hr initial shut in. 2 hr test 4 hr final SI. Good blow/of gas throughout test. Pulled 5 stands. Attempted to rev out & reversing tool plugged after taking in 20 bbl of mud. Pulled 43 additional stands & DP unloaded estimated 1400 feet of oil & gas. Finished TOH & rec 1800' oil & gas cut mud. No free water on test. Sample chamber contained 400 cc oil & 500 cc mud, 1.996 cu ft gas @ 500 psi w/no free water. Charts indicate that tool was plugging during test and inadvertently by-passed when shut in for both initial and final shut in pressures. Following BHP's are therefore questionable. Initial flow 611.7-358.8', initial shut in 358.8-3085.9 final flow 950.1-804.3. Final SI 804.3-2881.1.

38.	GEOLOGIC MARKERS		
	NAME	MEAS. DEPTH	TOP VERT. DEPTH
	Yates	2103	
	Queen	2749	
	San Andres	3163	
	PI Marker	3678	
	Glorieta	4400	
	Yeso	4498	
	Tubb	5812	
	Base Salt	6256	
	ABO Shale	6561	
	ABO Dolo	7203	
	Wolfcamp	7290	
	3 Bros.	7529	
	Cisco	7689	
	Penn Detrital	7810	
	U. Fusselman	7865	
	L. Fusselman	7882	
	Montoya (?)	8031	
	Pre Cambrian	8056	

Form C-108 - Attachment

ENERGY RESERVES GROUP

El Paso - State #4

467' FEL and 1980' FNL, Section 8, T-6-, R-34-E
Roosevelt County, New Mexico

Fusselman not present

ROOSEVELT STATE 9 #1 WELL
990' FWL & 1980' FSL
Section 9, T-6-S, R-34-E
Lea County, New Mexico
Ground Level Elevation: 4361'

11-26-83 Spudded well. Drilled 12¼ hole to 1995.
11-30-83 Ran 8 5/8 24# csg to 1961.
11-30-83 Cement 8 5/8 csg with 730 sc PSL & 200 cx CLC. Circulate to surface. Drill 7 7/8 hole to 8150.
12-20-83 Ran 5½ 17# csg to 8085.
12-21-83 Cemented 5½ csg around shoe with 250 sx H 50-50 PO₂ then 575 sx H 50-50 PO₂ thru DU tool @ 4780.
12-30-83 Perf 5½ csg in Granite Wash 8017-21. Tested dry.
1-03-84 Set CLBP 8000 & dump 35' cement.
1-04-84 Perf 5½ csg in Fusselman 7886-7900 10 holes.
1-05-84 Completed as flowing oil well.

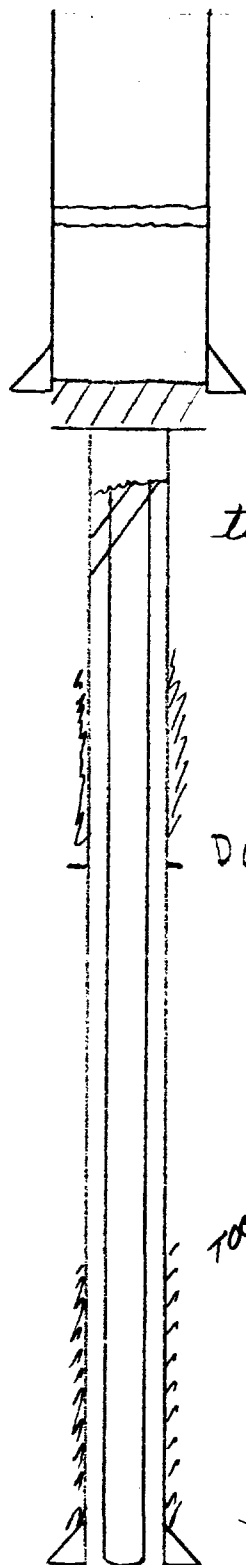
TOPS Cisco	7658
Fusselman	7816
Granite	7994

ROOSEVELT STATE 9 #2
990' FWL & 660' FSL
Sec. 9, T-6-S, R-34-E
Lea County, NM
Ground Level Elevation: 4354

2-03-84	Spudded well
2-04-84	Drill 12½ hole to 1965'
2-05-84	Ran 8 5/8 24# csg to 1960. Cement 8 5/8 with 730 sx PSL & 200 sx C.C. Circulate to surface. Drill 7 7/8 to 8020.
2-26-84	Ran 5½ 17# csg. to 8020.
2-26-84	Cement 5½ csg. around shoe with 350 sx H 50-50 PO ₂ & 225 sx 50-50 PO ₂ H thru DU tool @ 4397.
3-06-84	Perf 5½ csg in Fusselman 7912-18. 7 holes. Tested water.
3-08-84	Set cement retainer sq. 7912-18 with 75 sx.
3-09-84	Perf Fusselman 7868-7889. (7) holes. Tested water.
3-11-84	Set retainer 7860 & sq. perfs 7868-89 with 75 sx.
3-12-84	Perf 7841-49. (6) holes.
3-16-84	Acidize perfs 7841-49 2000 gal HCl. Test dry.
3-18-84	Set plug 7830 & dump 35' cement.
3-21-84	Perf 5½ csg in Cisco 7772-76 (5) holes.
3-25-84	Acidize Cisco perf 7772-76 1500 gal HCl.
3-30-84	Drill out cement & plug @ 7830.
4-01-84	Fish for parted tbq 2172
6-22-84	Cut 5½ csg & POH @ 2150 & spot 300 sx 2229.
6-23-84	Spot 200 sx CIH 2045 toc 1888 Spot 50 sx @ 1050

TOPS	7662 Cisco
	7832 Fusselman
	7956 Granite

Roosevelt State 9 #2
660 fwh + 990 fwh see 9 twp. 6S rge 34E
Roosevelt CO N.M.



50.4 CLH @ 1050

8 5/8 @ 1960 with 130.4 PCL + 200.4 CLC circ.
spot 200.4 CLH @ 2045
spot 300.4 CLH @ 2229
top of junk 2429

DU @ 4397 with 225.4 50-50 Poz

700-6350 Calc.

perf 7772-76
casing plug @ 7830 with 20' cement
perf 7841-49
perf 7868-89 seg ret @ 7860
perf 7912-18 seg ret @ 7905

5 1/2 17# @ 8020 with 350.4 50-50 Poz

2 3/8 tbg assumed @ pld

P 167 619 108

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982

★ U.S.G.P.O. 1984-446-014

Sent to <i>Energy Reserves Group</i>	
Street and No. <i>Midland 2437</i>	
P.O. State and ZIP Code <i>TX 79702</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	<i>1-22-86</i>

CERTIFIED

P 167 619 108

MAIL

OGR OPERATING COMPANY, INC.

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for service(s) requested.

- ☐ Show to whom, date and address of delivery.
- ☐ Restricted Delivery.
- Article Addressed to:
**ENERGY RESERVES GROUP
(BHP Americas)
P.O. Drawer 2437
Midland, TX 79702**
- Type of Service:
☐ Registered ☐ Insured ☐ COD
☐ Certified ☐ COD
☐ Express Mail
Article Number
P 167 619 108

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery

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

DOMESTIC RETURN RECEIPT

P 167 619 107

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982

★ U.S.G.P.O. 1984-446-014

Sent to <i>Richard C. Lambirth</i>	
Street and No. <i>Route 1</i>	
P.O. State and ZIP Code <i>Elida, NM 88116</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	<i>1-22-86</i>

CERTIFIED

P 167 619 107

MAIL

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for service(s) requested.

- ☐ Show to whom, date and address of delivery.
- ☐ Restricted Delivery.
- Article Addressed to:
**Richard C. Lambirth
Route 1
Elida, NM 88116**
- Type of Service:
☐ Registered ☐ Insured ☐ COD
☐ Certified ☐ COD
☐ Express Mail
Article Number
P 167 619 107

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery

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

DOMESTIC RETURN RECEIPT

[illegible]

Affidavit of Publication

0

LEGAL NOTICE
OGR Operating Co., Inc.
1140 Two First City Center
Midland, Texas 79701
Phone: 915-682-6373
Attention: Mickey Dobson
has applied for application to
dispose of produced water into the
Roosevelt Federal 9-1
Sec 9, T-6-S, R-34-E
Roosevelt County, New Mexico
Fusselman Formation at
+7884'-8022'
Expected injected volume of 450
BWPB at +2200 psi
Interested parties must file objec-
tions or request for hearing with the
Oil Conservation Division, P.O. Box
2088, Santa Fe, New Mexico 87501
withing 15 days.
Published in the Portales News-
Tribune January 20, 1986. Legal No.
9261.

I, Marshall Stinnett
Business Manager of

THE PORTALES NEWS-TRIBUNE

a newspaper of general paid circulation and entered under second class postal privilege in Roosevelt County, published daily, (except Saturday) at Portales, New Mexico, for the fifty-two (52) consecutive weeks preceding this date, do solemnly swear that a copy of the above notice, as per clipping attached, was published weekly in the regular and entire issue of said

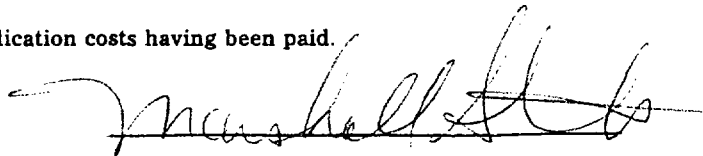
newspaper, and not in any supplement thereof for 1

consecutive weeks commencing with the issue dated _____

January 20 19 86

and ending with the issue dated January 20 19 86

All publication costs having been paid.



Subscribed and sworn to before me this 20th day of January 19 86

De Maris Barnett

Notary Public

My commission expires 3/7/87 19 87

RECEIVED JAN 22 1986

September 20, 1985

WORKING INTEREST OWNERS
Federal No. 9-1 Well



Re: Sale Of Federal 9-1 Well
South Peterson Area
Roosevelt Co., N.M.

Gentlemen:

By letter to all working interest owners OGR Operating Co., Inc. has offered to purchase the BHP Petroleum (Americas) Inc. (Formerly Energy Reserves Group Inc.) Federal No. 9-1 well subject to OGR obtaining necessary BLM, etc. approval to use the well for SWD purposes.

OGR's offer to assume the future abandonment expense is reasonable since OGR proposes to utilize the well for its own economic gains.

BHP recommends to the other working interest owners that the 8 5/8" casinghead, the 8 5/8" casing (cemented to the surface), the 5 1/2" casing hanger, and the 5 1/2" casing be offered to OGR for the proposed \$8,000.

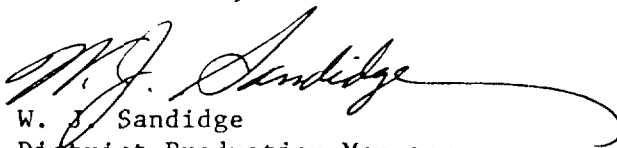
BHP further recommends that the joint account salvage the tubing head (everything above the 8 5/8" casinghead flange) and the tubing string for disposal as specified in the operating agreement.

The tubing is still in the well. BHP proposes to pull and lay down the tubing, the tubing head, tubing hanger, valves, etc. This material will be offered for bid. Any working interest owner, including OGR, may bid on the material if he so desires.

Please indicate below your position regarding the above.

Yours very truly

BHP Petroleum, Inc.


W. J. Sandidge
District Production Manager

WJS/sq

_____ Concur with BHP proposal

_____ Desire to accept OGR proposal

RECEIVED SEP 26 1985

OGR OPERATING COMPANY, INC.

AGREEMENT AND BILL OF SALE

STATE OF NEW MEXICO §

COUNTY OF ROOSEVELT §

BHP PETROLEUM (AMERICAS) INC., formerly Energy Reserves Group, Inc., 1509 West Wall Street, Midland, Texas 79702, (BHP), for an adequate consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, transfer and assign to OGR OPERATING COMPANY, INC., 1140 Two First City Center, Midland, Texas 79701, (OGR), the following:

The Energy Reserves Group, Inc. (Now known as BHP Petroleum (Americas) Inc.) Federal "9" No. 1 Well Located 1980' FNL and 660' FWL of Section 9, T-6-S, R-34-E, Roosevelt County, New Mexico, including the equipment and personal property described below.

BHP covenants and agrees as follows:

- A. Said well and other property being conveyed hereunder are free of any and all liens, adverse claims, or other encumbrances.
- B. That the 8 5/8" casinghead, the 8 5/8" casing, the 5 1/2" casing hanger, the 5 1/2" casing, and the bell nipple be left intact on the well and in suitable condition for use as a saltwater disposal well.
- C. That the above described well generally be in suitable condition for use as a saltwater disposal well.

EXECUTED without warranty of title, express or implied, except as provided in A., above, this the 11th day of October, 1985; provided, however, BHP warrants title against any claims arising by, through or under it.

STATE OF NEW MEXICO
COUNTY OF ROOSEVELT
Recorded 10-17

DEC 6 1985

At 10:55 A.M. 10-11-85
48 (Misc) Page 34
Clerk JOYCE LEE FRAZE
Deputy *[Signature]*

STATE OF TEXAS §

COUNTY OF MIDLAND §

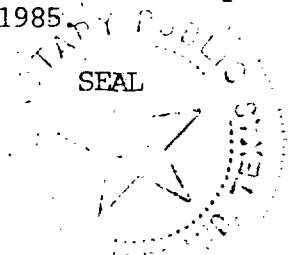
BHP PETROLEUM (AMERICAS) INC.
(Formerly Energy Reserves Group, Inc.)

[Signature: W. R. Green]
By: W. R. Green, Attorney-in-Fact

[Signature: W. R. Green]

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared W. R. Green, Attorney-in-Fact of BHP PETROLEUM (AMERICAS) INC. known to me to be the person described in and who executed the foregoing instrument, and whose name is subscribed thereto, and acknowledged to me that he/she executed the same as his/her free act and deed for the purposes and consideration therein expressed.

WITNESS my hand and seal of office this 11th day of October, 1985.



[Signature: Henrietta Hagan]
Notary Public in and for the County of Midland of the State of Texas

Typed Name of Notary: Henrietta Hagan

South Peterson Prospect
NM006
OGR OPERATING COMPANY, INC.

BILL OF SALE

This Bill of Sale is dated effective October 9, 1985, by and between Kimbark Oil & Gas Company, 1580 Lincoln Street, Suite 1000, Denver, Colorado, 80203, Seller, and OGR Operating Company, Inc., 1140 Two First City Center, Suite 1140, Midland, Texas, 79701, Purchaser.

For the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller hereby transfers, grants, bargains, sells, conveys and assigns without warranty, either express or implied, to Purchaser the following:

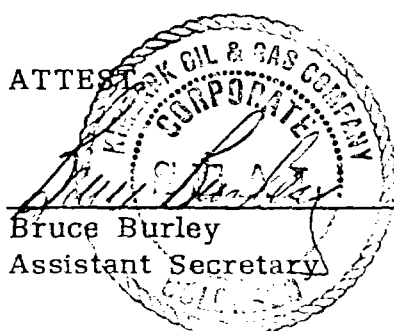
All of Seller's right, title and interest in and to the Energy Reserves Group, Inc. [now known as BHP Petroleum (Americas) Inc.] Federal "9" No. 1 well located 1,980 feet FNL and 660 feet FWL of Section 9, Township 6 South, Range 34 East, Roosevelt County, New Mexico, including: The 8 5/8" casinghead; the 8 5/8" casing; the 5 1/2" casing hanger; the 5 1/2" casing; and the bell nipple.

This Bill of Sale is made subject to all existing burdens. Purchaser shall indemnify, save and hold Seller harmless from all claims, costs, expenses and liabilities with respect to said well.

This Bill of Sale shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and assigns of Seller and Purchaser.

Executed this 27th day of November 1985, but effective for all purposes as of the date stated above.

ATTEST



Bruce Burley
Assistant Secretary

KIMBARK OIL & GAS COMPANY

A. W. Glover
A. W. Glover
Executive Vice President

STATE OF COLORADO
COUNTY OF DENVER
RECORDED

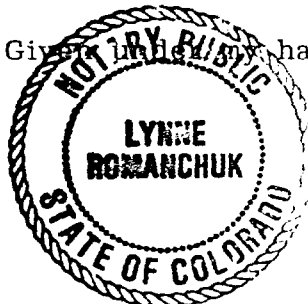
DEC 6 1985

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

At 11:00 AM
E. 48 (Nico) Room 35
Cash JOYCE LEE TRICE
Depository *Mina Kelly*

Before me, the undersigned authority, on this day personally appeared A. W. Glover, known to me to be the person whose name is subscribed to the foregoing instrument, as Executive Vice President of Kimbark Oil & Gas Company and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this 27th day of November, 1985.



Lynne Romanchuk
Lynne Romanchuk, Notary Public
1580 Lincoln Street, Suite 1000
Denver, Colorado 80203

My commission expires: April 30, 1989

OGR OPERATING COMPANY, INC.

AGREEMENT AND BILL OF SALE

STATE OF NEW MEXICO §

COUNTY OF ROOSEVELT §

CURRY COUNTY OIL CO., Suite 100, Four Pile Place, 400 Pile Street, Clovis, New Mexico 88101, (CCO), for an adequate consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, transfer and assign to OGR OPERATING COMPANY, INC., 1140 Two First City Center, Midland, Texas 79701, (OGR), the following:

The Energy Reserves Group, Inc. (Now known as BHP Petroleum (Americas) Inc.) Federal "9" No. 1 Well Located 1980' FNL and 660' FWL of Section 9, T-6-S, R-34-E, Roosevelt County, New Mexico, including the equipment and personal property described below.

CCO covenants and agrees as follows:

- A. Said well and other property being conveyed hereunder are free of any and all liens, adverse claims, or other encumbrances.
- B. That the 8 5/8" casinghead, the 8 5/8" casing, the 5½" casing hanger, the 5½" casing, and the bell nipple be left intact on the well and in suitable condition for use as a saltwater disposal well.
- C. That the above described well generally be in suitable condition for use as a saltwater disposal well.

EXECUTED without warranty of title, express or implied, except as provided in A., above, this the 25th day of ~~October~~ November, 1985; provided, however, CCO warrants title against any claims arising by through or under it.

STATE OF NEW MEXICO
COUNTY OF ROOSEVELT
Recorded 12

DEC 6 1985

At 10:50 O'clock AM
to 48 (Misc) Room 33
Clerk JOYCE LEE FRAZE
Deputy Mike Bullock
STATE OF NEW MEXICO §

COUNTY OF Curry §

CURRY COUNTY OIL CO.

By: MALCOLM G. GARRETT
PRESIDENT

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared MALCOLM G. GARRETT, President of CURRY COUNTY OIL CO. known to me to be the person described in and who executed the foregoing instrument, and whose name is subscribed thereto, and acknowledged to me that he/she executed the same as his/her free act and deed for the purposes and consideration therein expressed.

WITNESS my hand and seal of office this 25th day of November, 1985.

Notary Public in and for the County of Curry of the State of NEW MEXICO
My Commission Expires: May 18, 1989
Typed Name of Notary: John O. Wright

South Peterson Prospect
NM006
OGR OPERATING COMPANY, INC.

February 11, 1986

Department of Interior
Bureau of Land Management
Resource Area
P.O. Box 1857
Roswell, New Mexico 88201

Attn: Mr. Peter Chester

Re: Federal 9-1 SWD
Sec. 9, T-6-S, R-34-E
Roosevelt County, NM.
(South Peterson NM002)

Gentlemen:

Enclosed herewith is a copy of OGR Operating Company, Inc.'s Salt Water Disposal Form C-108 which has been sent to the State of New Mexico covering the above captioned well for your information.

If you need any additional information, please let me know.

Very truly yours,

OGR OPERATING COMPANY, INC.

Sarah Matchus

slm
Enclosures