

# PENROC

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

July 25, 1990

State of New Mexico  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Attn: Mr. David R. Catanach

Re: Application for Administrative Approval  
Authority for Produced Water Disposal  
State 'AP' Well No. 1  
Unit Letter L, Sec. 9, T-18-S, R-35-E  
Lea County, New Mexico

Dear Mr. Catanach:

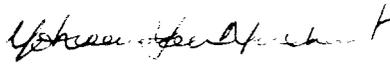
PENROC OIL CORPORATION is enclosing a Form C-108 and the required attachments for an administrative approval to dispose produced water from two (2) PENROC wells (Lea 403 No. 4 and Lea 403 No. 6) in Sec. 17, T-18-S, R-35-E. Please note both wells are state leases.

PENROC has two (2) active disposals on the off-setting lease in Sec. 8, namely State 'AF' Well No. 2 and Well No. 3 which are disposing in the Wolfcamp formation on vacuum.

Your approval at its earliest will be greatly appreciated.

Sincerely,

PENROC OIL CORPORATION

  
M. Y. (Merch) Merchant  
President

MYM/br

Enclosure

# PENROC

310N

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Teletype (505) 393-7051

July 25, 1990

N. M. O. C. D.  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Re: Conversion of PENROC OIL CORPORATION  
STATE "AP" WELL NO. 1 to a disposal well

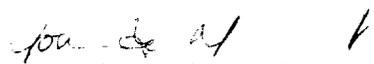
Dear Sir:

Please find enclosed a copy of PENROC OIL CORPORATION application to convert the State "AP" No. 1 well to disposal well. This application is being furnished to you per New Mexico Conservation requirements.

No reply is required unless you object to this application. Thank you for your cooperation.

Sincerely,

PENROC OIL CORPORATION

  
M. Y. (Merch) Merchant  
President

MYM/br  
Enclosures

CC: Texaco, Inc. - Hobbs, NM  
Maralo Incorporated - Midland, TX  
Bledsoe Petroleum Corp - Bethany, OK  
R. D. Lee - Lovington, NM  
N. M. O. C. D. - Santa Fe, NM  
N. M. O. C. D. - Hobbs, NM  
New Mexico State Land Office - Santa Fe, NM

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose:  Secondary Recovery  Pressure Maintenance  Disposal  Storage  
Application qualifies for administrative approval?  yes  no
- II. Operator: PENROC OIL CORPORATION  
Address: P. O. BOX 5970 HOBBS, NEW MEXICO 88241  
Contact party: M. Y. (Merch) Merchant Phone: (505) 397-3596
- 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. Attached
- \* 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. Attached
- 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.). Attached
- \*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. Attached
- \* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.) N/A
- \* 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. Attached
- 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. Attached
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached
- 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: Mohammed Yamin Merchant Title President

Signature: *Mohammed Yamin Merchant* Date: July 25, 1990

- \* 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. Attached

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. Attached

## 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.

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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.

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**LEGAL NOTICE  
JULY 27, 1990  
NOTICE OF  
APPLICATION  
FOR PRODUCED  
WATER DISPOSAL  
WELL PERMIT**

Penroc Oil Corporation,  
P.O. Box 5970, Hobbs, New  
Mexico 88241, Telephone:  
(505) 397-3596, has applied  
to the State of New Mexico,  
Energy, Minerals and Nat-  
ural Resources Depart-  
ment, Oil Conservation  
Division, for a permit to  
dispose produced salt  
water into a porous forma-  
tion not productive of oil  
and gas.

The applicant proposes  
to dispose produced water  
into the Drinkard forma-  
tion of State "AP" Well No.  
1, Unit L, Section 9, T-18-S,  
R-35-E from the Lea '4011'  
Well No. 1, Unit N, Section  
8, T-18-S, R-35-E, Lea  
County, New Mexico.

Produced water will be  
injected in strata sub-  
surface depth interval  
from 7046 feet - 7264 feet at  
a minimum rate of 2000  
barrels per day and a max-  
imum rate of 2500 barrels  
per day, with a minimum  
pressure of 0 PSIG and a  
maximum pressure of 500  
PSIG. The disposal will be  
accomplished through 2  
½" plastic coated tubing  
with nickel-coated packer  
at 7000 feet. Interested  
parties must file objections  
or request for hearing with  
the Oil Conservation  
Division, P.O. Box 2088,  
Santa Fe, New Mexico  
87501 within 15 days. M. Y.  
Merchant, President.

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. ( assigned by OCD on New Wells)

3002526824

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.  
E-7653

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. Type of Work:  
DRILL  RE-ENTER  DEEPEN  PLUG BACK   
b. Type of Well:  
OIL WELL  GAS WELL  OTHER Water Disposal SINGLE ZONE  MULTIPLE ZONE

7. Lease Name or Unit Agreement Name  
State "AP"

2. Name of Operator  
PENROC OIL CORPORATION

8. Well No.  
1

3. Address of Operator  
P. O. BOX 5970 HOBBS, NEW MEXICO 88241

9. Pool name or Wildcat  
Wildcat

4. Well Location  
Unit Letter L : 660 Feet From The West Line and 1980 Feet From The South Line  
Section 9 Township 18-S Range 35-E NMPM Lea County

10. Proposed Depth 8000  
11. Formation Drinkard  
12. Rotary or C.T. Workover Unit

13. Elevations (Show whether DF, RT, GR, etc.) 3940.5 GR  
14. Kind & Status Plug. Bond Blanket  
15. Drilling Contractor Meenar  
16. Approx. Date Work will start August 15, 1990

**PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	11 3/4"	42	300	250	Surface
12 1/4"	8 5/8"	24	3297	1327	Surface
7 7/8"	5 1/2"	15.5 & 17	9244	2742	Surface

Rig up workover unit. Drill out cement plugs from 4826' - 4626'. Drill out cement & CIBP @ 6950'. Circulate hole clean to 8000'±. Perforate 2spf from 7046' - 7264'. Test for injectivity. Acidize if necessary. Run 2 7/8" PC tubing and nickel coated packer. Circulate with packer fluid. Set packer @ 7000'. Put well on injection.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Mohammed Yamin Merchant TITLE President DATE 7/25/90

TYPE OR PRINT NAME Mohammed Yamin Merchant TELEPHONE NO. (505) 397-3596

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

**Insert**

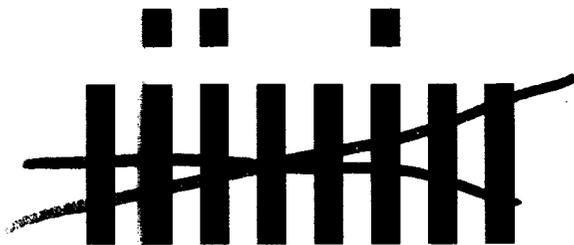
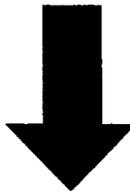
**Color Page/Photo**

**Here**

**Simplex mode**



**LTR**



Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

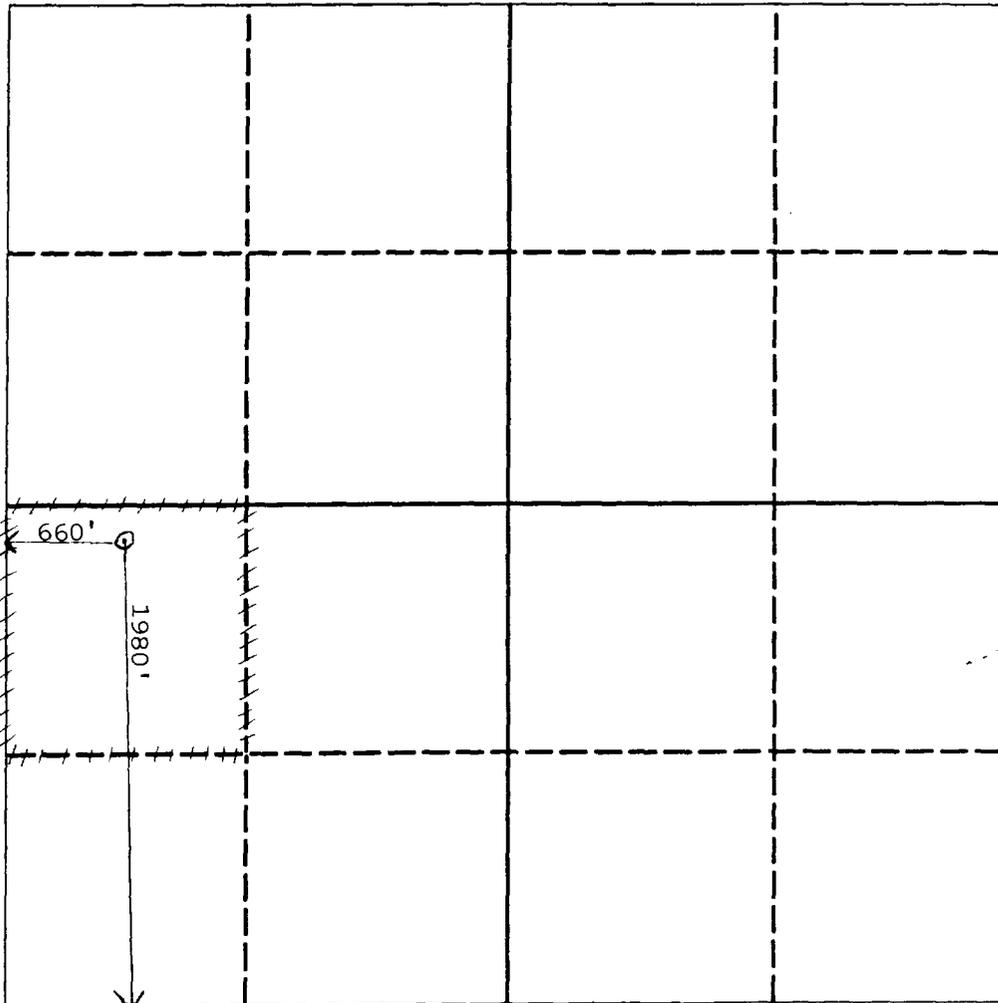
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
All Distances must be from the outer boundaries of the section

Operator PENROC OIL CORPORATION			Lease STATE "AP"		Well No. 1
Unit Letter L	Section 9	Township 18-S	Range 35-E	County LEA	
Actual Footage Location of Well: 660 feet from the West line and 1980 feet from the South line					
Ground level Elev. 3940.5 GR	Producing Formation -	Pool Wildcat		Dedicated Acreage: 40 Acres	

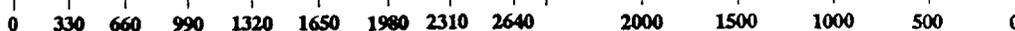
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
*Mohammed Yamin Merchant*  
 Signature  
 Mohammed Yamin Merchant  
 Printed Name  
 President  
 Position  
 PENROC OIL CORPORATION  
 Company  
 July 25, 1990  
 Date

**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.  
 Date Surveyed  
 December 12, 1980  
 Signature & Seal of Professional Surveyor  
 Herschel L. Jones  
 Certificate No.  
 3640



Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 3002526824

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.  
E-7653

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name  
State "AP"

1. Type of Well:  
OIL WELL  GAS WELL  OTHER Disposal Well

8. Well No. 1

2. Name of Operator  
PENROC OIL CORPORATION

9. Pool name or Wildcat  
Wilcat

3. Address of Operator  
P. O. BOX 5970 HOBBS, NEW MEXICO 88241

4. Well Location  
Unit Letter L : 660 Feet From The West Line and 1980 Feet From The South Line  
Section 9 Township 18-S Range 35-E NMPM I, E, A County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
3940.5 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>CONVERT TO DISPOSAL</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Rig up workover unit. Drill out cement plugs from 4826'- 4626'. Drill out cement & CIBP @ 6950'. Circulate hole clean to 8000'±. Perforate 2spf from 7046' - 7264'. Test for injectivity. Acidize if necessary. Run 2 7/8" PC tubing and nickel coated packer. Circulate with packer fluid. Set packer @ 7000'. Put well on injection.

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

SIGNATURE Mohammed Yamin Merchant TITLE President DATE July 25, 1990  
TYPE OR PRINT NAME Mohammed Yamin Merchant TELEPHONE NO. (505) 397-3596

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

ATTACHMENT TO FORM C-108

STATE "AP" WELL NO. 1

PART III A. 1-4 Attached

- PART III B.
1. The formation to be injected into is the Drinkard which is non-productive in the area of interest.
  2. The injection zone will be through perms: 7046' - 7264'.
  3. This well was originally completed in the ABO Zone which after depletion has been abandoned.
  4. The production from the lower zone in the area is from the ABO (8800'+) and Devonian (12000').

- PART VII
1. The average daily injection rate will be 2000BWPD with a maximum rate of 2500 bpd.
  2. The system will be a closed system.
  3. The source of water will be from the PENROC operated LEA 4011 Well No. 1 which is producing 2000 BWPD from the Devonian.
  4. The average injection pressure will be zero psig, with a maximum pressure of 500<sup>+</sup> psig.

PART VIII

The proposed injection zone is Drinkard, and the lithology is dolomite. The top of the Drinkard is 7040', and the injection will be from 7064' - 7264'.

The only fresh water is the Ogallala @ 200' from surface, and there is no fresh water zone known below the injection interval.

PART IX

The proposed injection interval will be acidized with 1500 gallons of 15% HCL acid.

PART XII

PENROC OIL CORPORATION has examined available geologic and engineering data and finds no evidence of open faults or any other hydrologic connection between the disposal and any underground source of drinking water.

ATTACHMENT TO FORM C-108

PENROC OIL CORPORATION

PENROC OIL CORPORATION

STATE "AP" WELL NO. 1

SECTION 9, T-18-S, R-35-E UNIT LETTER L

LEA COUNTY, NEW MEXICO

15" hole, 11 3/4" csg., 42# @ 300' with 250 sxs. circ.

11" hole, 8 5/8" csg., 24# @ 3297' with 1327 sxs. circ.

Cement plug from 4826' - 4626'

9.5# mud.

CIBP @ 6950' with 30' cement.

PERFORATIONS: 7046' - 7264' Non-producing Wildcat Drinkard

CIBP @ 8800' with 30 sxs on top.

PERFORATIONS: 8930' - 9042' Abandoned ABO perfs.

7 7/8" hole, 5 1/2" csg., 17# & 15.5# @ 9244' with 2742 sxs. cement circulated.

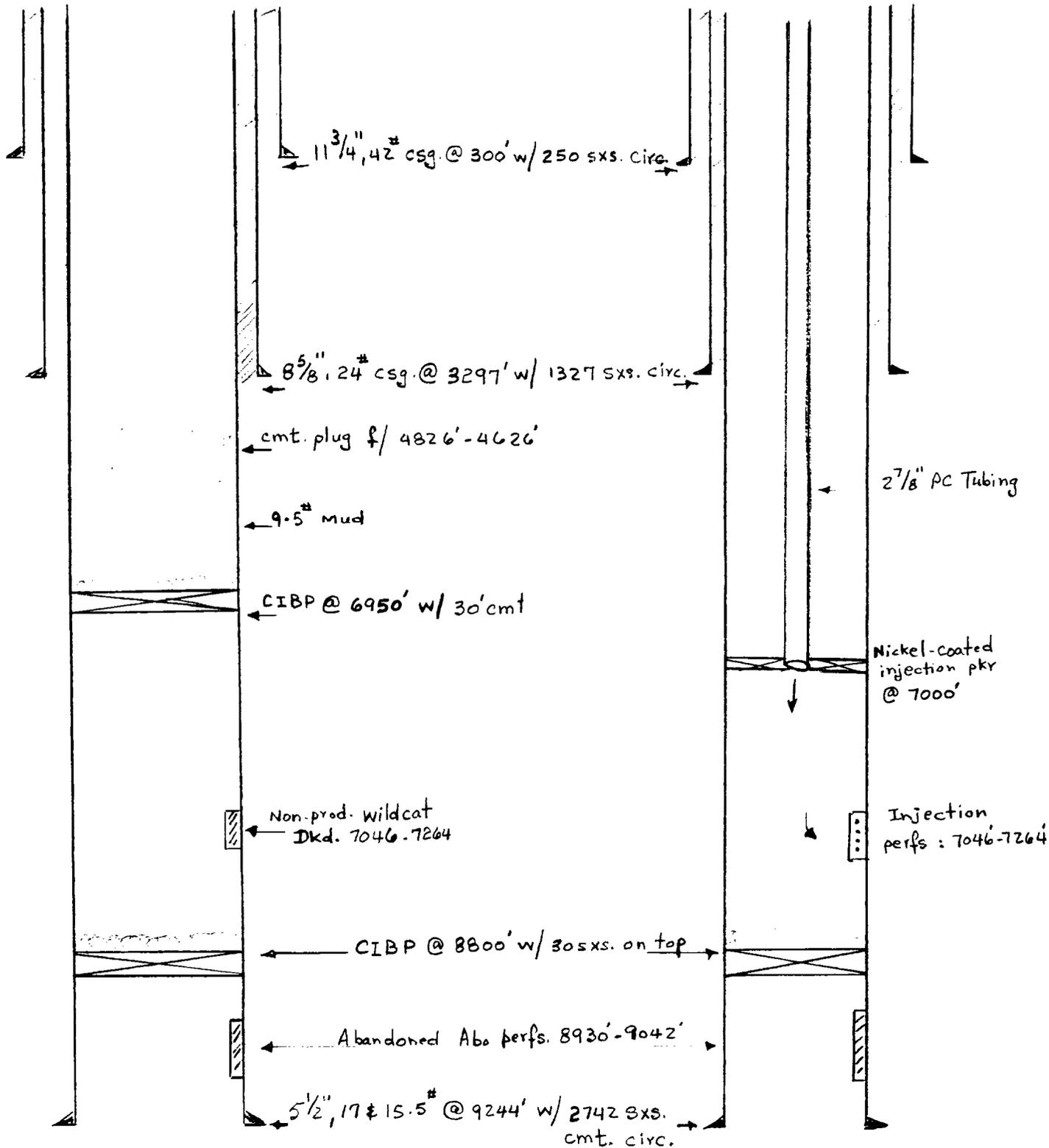
STATE "AP" WELL No. 1

Unit L, Sec. 9, T18S, R35E

LEA COUNTY, NEW MEXICO

CURRENT

PROPOSED



ATTACHMENT TO FORM C-108

PENROC OIL CORPORATION

PENROC OIL CORPORATION

STATE "AP" WELL NO. 2

SECTION 9, T-18-S, R-35-E UNIT LETTER K

LEA COUNTY, NEW MEXICO

11 3/4" csg. hole, 47# @ 310' with 250 sxs. Circulated 40 sxs.

8 5/8" csg. 32# & 24# @ 3298' with 1250 sxs. Circulated.

5 1/2" csg. 17# & 15.5# @ 9338' with 2590 sxs. Circulate with 200 sxs.

PERFORATIONS: 8984' - 9064'

Set CIBP @ 8798' with 30' cement on top.

Circulate hole @ 8692'.

Pull tbq. to 4763 & spot 25 sxs. 4763' - 4563'.

Pull tbq. to 3270' & spot 25 sxs. 3270' - 3070'.

Pull tbq. to 1715' & spot 25 sxs. 1715' - 1515'.

Spot 10 sxs @ surface.

BLEDSON PETROLEUM CORPORATION

GULF STATE WELL NO. 3

SECTION 9, T-18-S, R-35-E UNIT LETTER E

LEA COUNTY, NEW MEXICO

17 1/2" hole, 13 3/8" csg., 48# @ 352' with 300 sxs. Circulate.

11" hole, 8 5/8" csg. 23# & 32# @ 3606' with 1060 sxs. Circulate.

PERFORATIONS: 8912' - 8980'

4 1/2", 11.6# & 10.5# @ 9192' with 920 sxs. TOC: 6310'

BLEDSON PETROLEUM CORPORATION

GULF STATE WELL NO. 5

SECTION 9, T-18-S, R-35-E UNIT LETTER F

LEA COUNTY, NEW MEXICO

13 3/8", 48# @ 369' with 375 sxs. Circulate.

8 5/8", 24# @ 3578' with 1450 sxs. Circulate.

PERFORATIONS: 8934' - 8937' & 8758' - 8862'

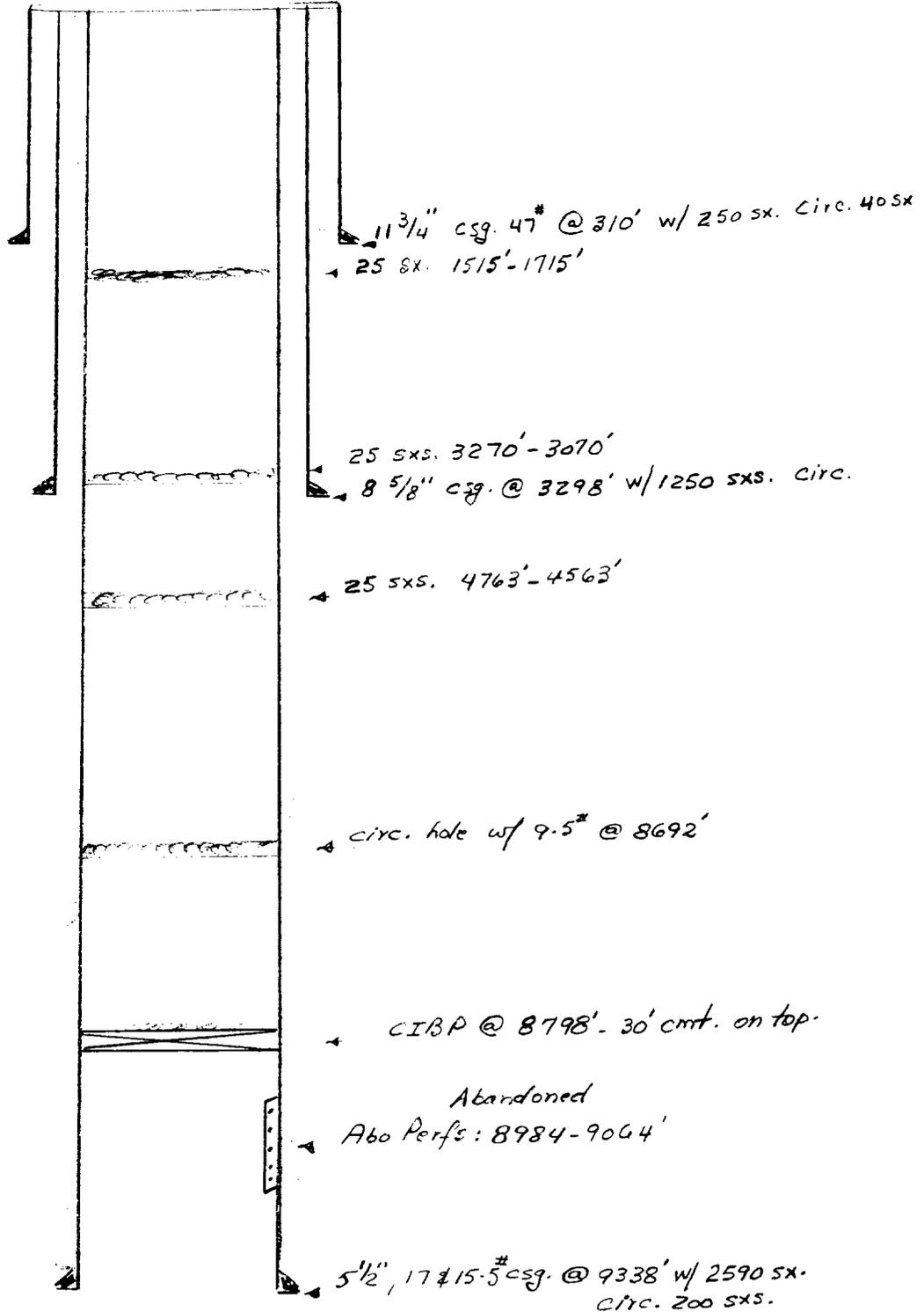
4 1/2", 10.5# & 11.6# @ 9219' with 1600 sxs. TOC: Surface

WELL TA'D

STATE "AP" WELL NO. 2

UNIT K, SEC. 9, T18S, R35E

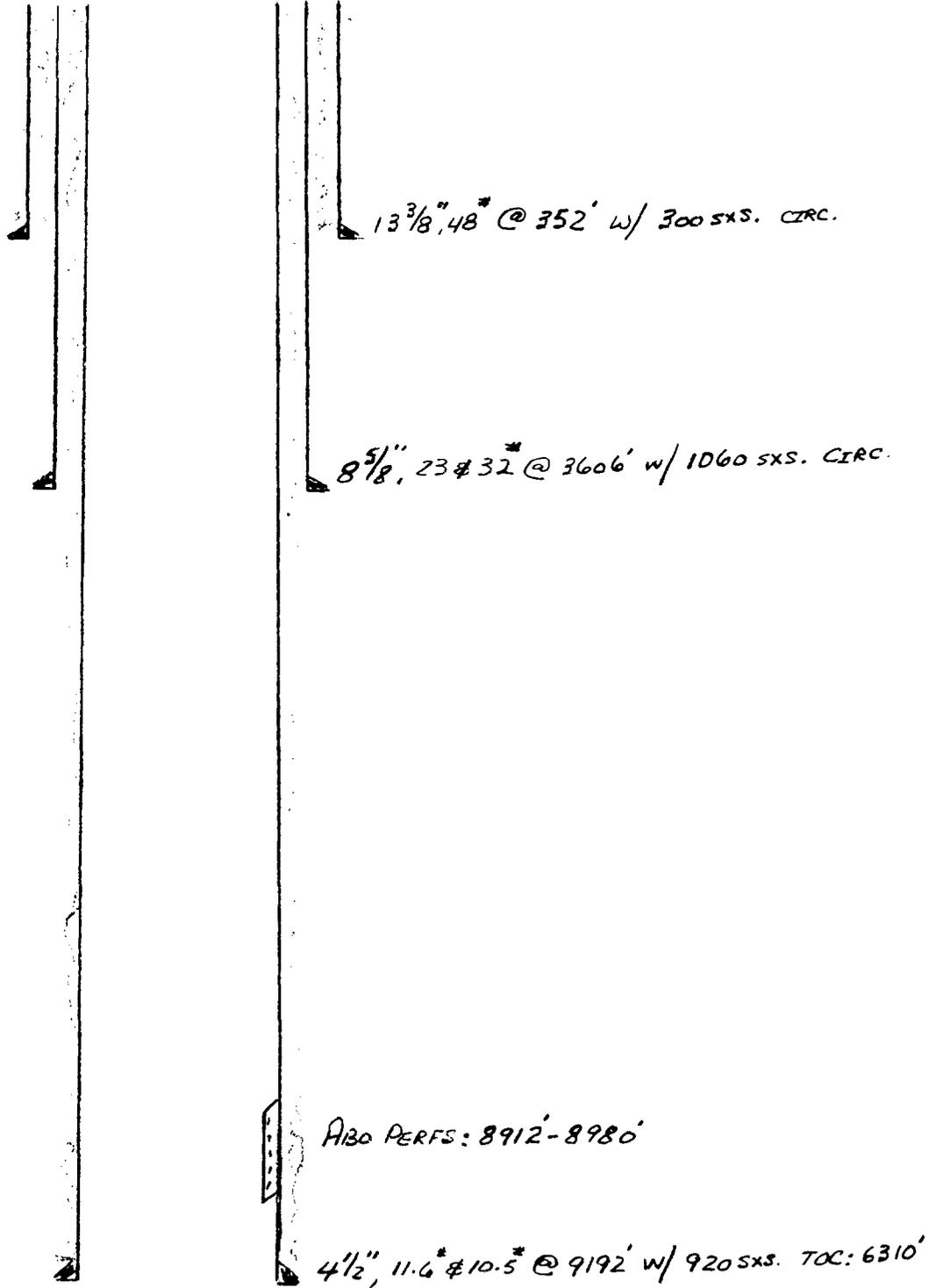
LEA COUNTY, NM



GULF STATE WELL No. 3

UNIT 'E', SEC. 9, T18S, R35E

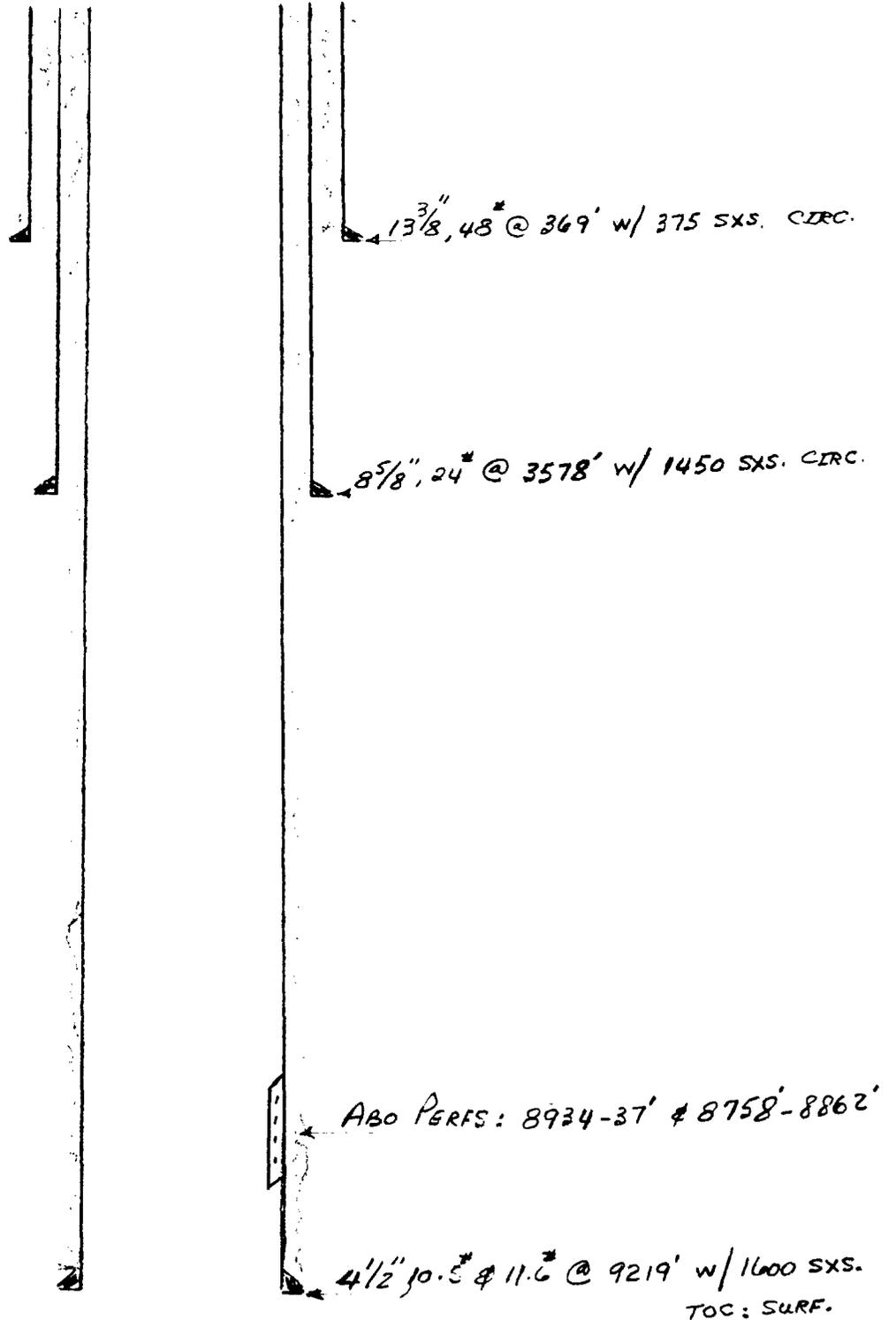
LEA COUNTY, NM



GULF STATE WELL No. 5

UNIT F, SEC. 9, T18S, R35E

LEA COUNTY, NEW MEX.



$1\frac{3}{8}''$ , 48' @ 369' w/ 375 SXS. CIRC.

$8\frac{5}{8}''$ , 24' @ 3578' w/ 1450 SXS. CIRC.

ABO PERFS: 8924-37' & 8758'-8862'

$4\frac{1}{2}''$  10.5' & 11.6' @ 9219' w/ 1600 SXS.

TOC: SURF.

ATTACHMENT TO FORM C-108

PENROC OIL CORPORATION

BLEDSOE PETROLEUM CORPORATION

TP STATE WELL NO. 1

SECTION 8, T-18-S, R-35-E UNIT LETTER I  
LEA COUNTY, NEW MEXICO

13 3/8", 48# @ 369' with 275 sxs.

8 5/8", 24# & 32# @ 3601' with 810 sxs.

PERFORATIONS: 8940' - 8958'

4 1/2", 11.6# & 10.5# @ 9165' with 685 sxs.

TEXACO, INC.

HOBBS "N" WELL NO. 5

SECTION 8, T-18-S, R-35-E UNIT LETTER H  
LEA COUNTY, NEW MEXICO

11 3/4", 42# @ 300' with 350 sxs.

8 5/8", 32# & 24# @ 3300' with 950 sxs.

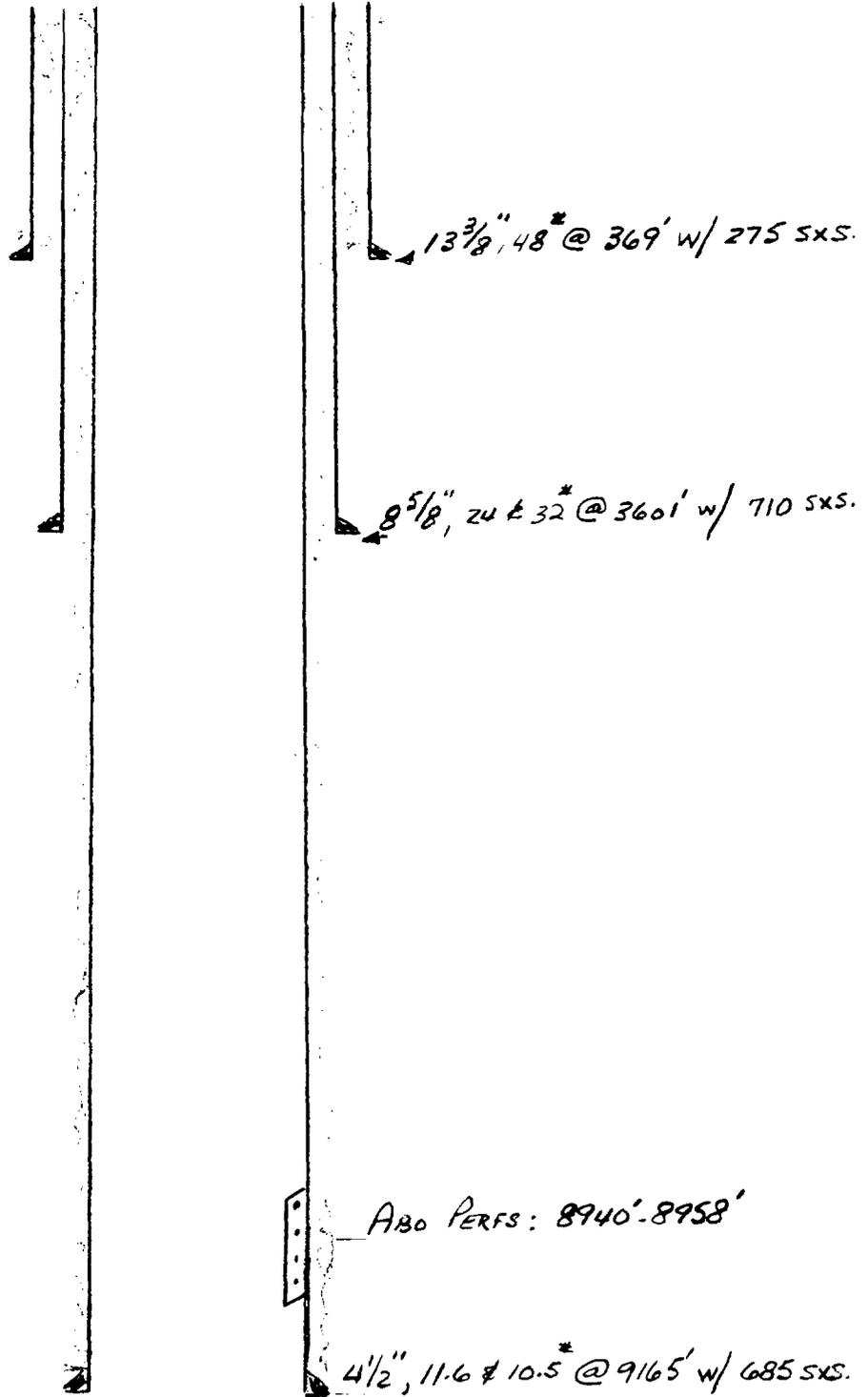
PERFORATIONS: 8819' - 8937'

5 1/2", 17# @ 9205' with 4000 sxs.

TP STATE WELL NO. 1

UNIT I, SEC. 8, T18S, R35E

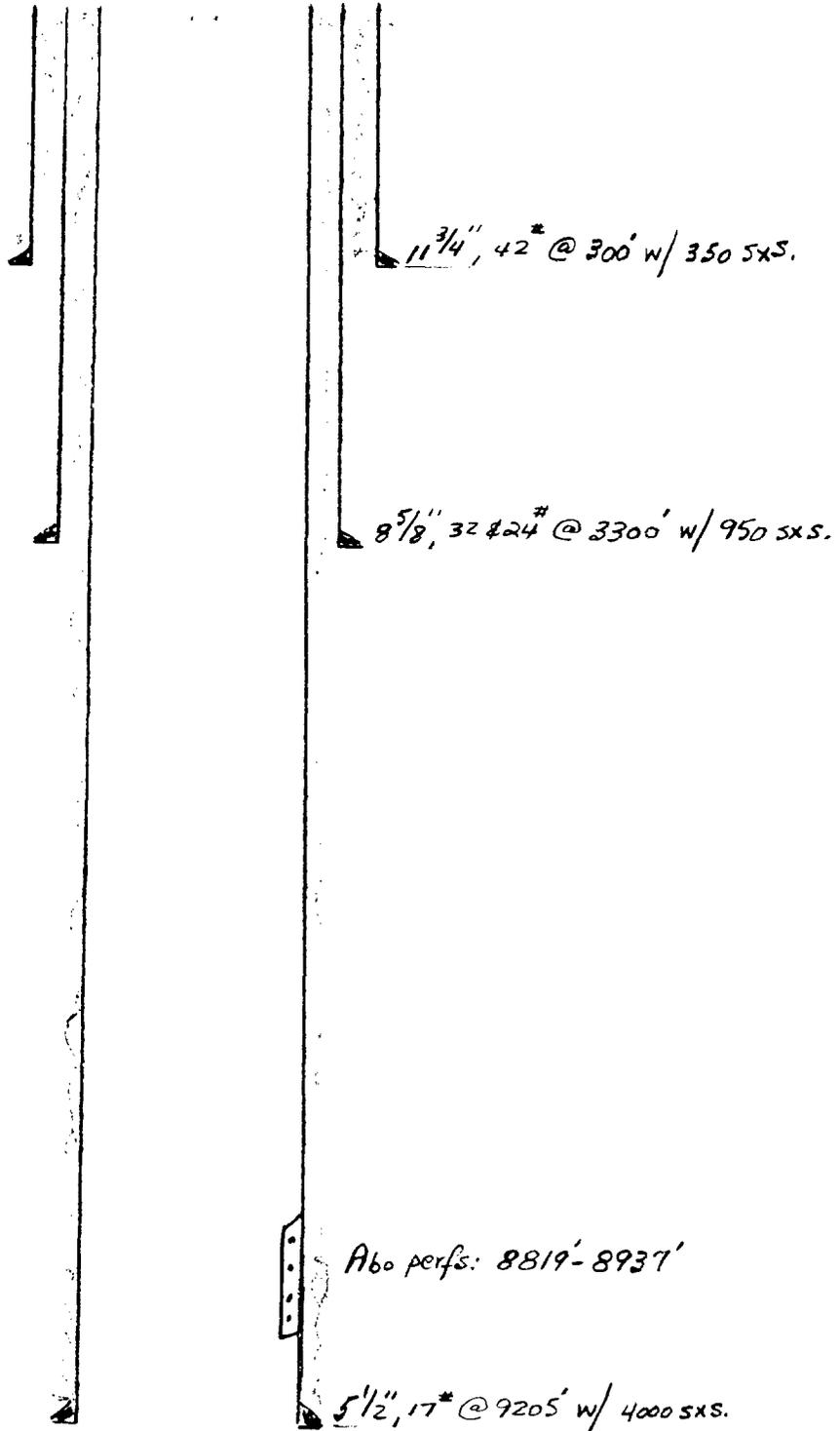
LEA COUNTY, NEW MEX.



HOBBS "N" WELL No. 5

UNIT H, SEC. 8, T18S, R35E

LEA COUNTY, NM



HALLIBURTON COMPANY  
 MIDLAND DIVISION  
 ALBUQUERQUE, NEW MEXICO 88260  
**LABORATORY WATER ANALYSIS**

No. \_\_\_\_\_

Date 3-14-57

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by \_\_\_\_\_ Date Rec. \_\_\_\_\_

Well No. \_\_\_\_\_ Depth 4,700' Formation San Andres

County \_\_\_\_\_ Field Buckeye (Vacuum) Source \_\_\_\_\_

Resistivity	<u>0.050 @ 74° F.</u>		
Specific Gravity	<u>1.139</u>		
pH	<u>6.8</u>		
Calcium (Ca)	<u>2,120</u>		*MPL
Magnesium (Mg)	<u>898</u>		
Chlorides (Cl)	<u>123,000</u>		
Sulfates (SO <sub>4</sub> )	<u>3,400</u>		
Bicarbonates (HCO <sub>3</sub> )	<u>165</u>		
Soluble Iron (Fe)	<u>11</u>		
Sodium (Na)	<u>77,400</u>		

Remarks \_\_\_\_\_ \*Milligrams per liter

Respectfully submitted,

Analyst \_\_\_\_\_

HALLIBURTON COMPANY

By \_\_\_\_\_  
 DIVISION CHEMIST

**NOTICE**

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

HOBBS, NEW MEXICO 88240  
**LABORATORY WATER ANALYSIS**

No. WS-87-243

M. Y. Merchant

Date 12-12-87

PENROC

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P. O. Box 5970

Hobbs NM 88240

Submitted by M.Y. Merchant

Date Rec. 12-10-87

Well No. N.A.

Depth N.A.

Formation \_\_\_\_\_

County Lea Co. NM

Field Buckeye Area

Source water well / Devonian well

	<u>water well</u>	<u>Devonian well</u>
Specific Gravity	<u>3.41 @ 68°F</u>	<u>.09 @ 68°F</u>
Specific Gravity	<u>1.002</u>	<u>1.066</u>
	<u>7.2</u>	<u>7.6</u>
Calcium (Ca)	<u>45</u>	<u>2150</u> *MPL
Magnesium (Mg)	<u>30</u>	<u>330</u>
Chlorides (Cl)	<u>950</u>	<u>55000</u>
Sulfates (SO <sub>4</sub> )	<u>nil</u>	<u>heavy</u>
Carbonates (HCO <sub>3</sub> )	<u>240</u>	<u>1284</u>
Soluble Iron (Fe)	<u>nil</u>	<u>nil</u>

Notes: water taken from wells in the same area for comparison purposes.

\*Milligrams per liter

C. R. Moore

*Charles Ray Moore*

Respectfully submitted,

HALLIBURTON COMPANY

By CRM

CHEMIST

**NOTICE**

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT ON OMISSIONS, RESULTING FROM SUCH REPORT OR ITS USE.

BILL L LEE

WEST STAR ROUTE, BOX 465  
LOVINGTON, NEW MEXICO 88260

July 25, 1990

PENROC OIL CORPORATION  
P. O. Box 5970  
Hobbs, New Mexico 88241

Attn: M. Y. (Merch) Merchant

Re: STATEMENT OF NO OBJECTION

Dear Mr. Merchant:

This letter is to advise you that Lee Cattle Company has no objection for Penroc Oil Corporation to install salt disposal facilities at its STATE "AP" WELL NO. 1.

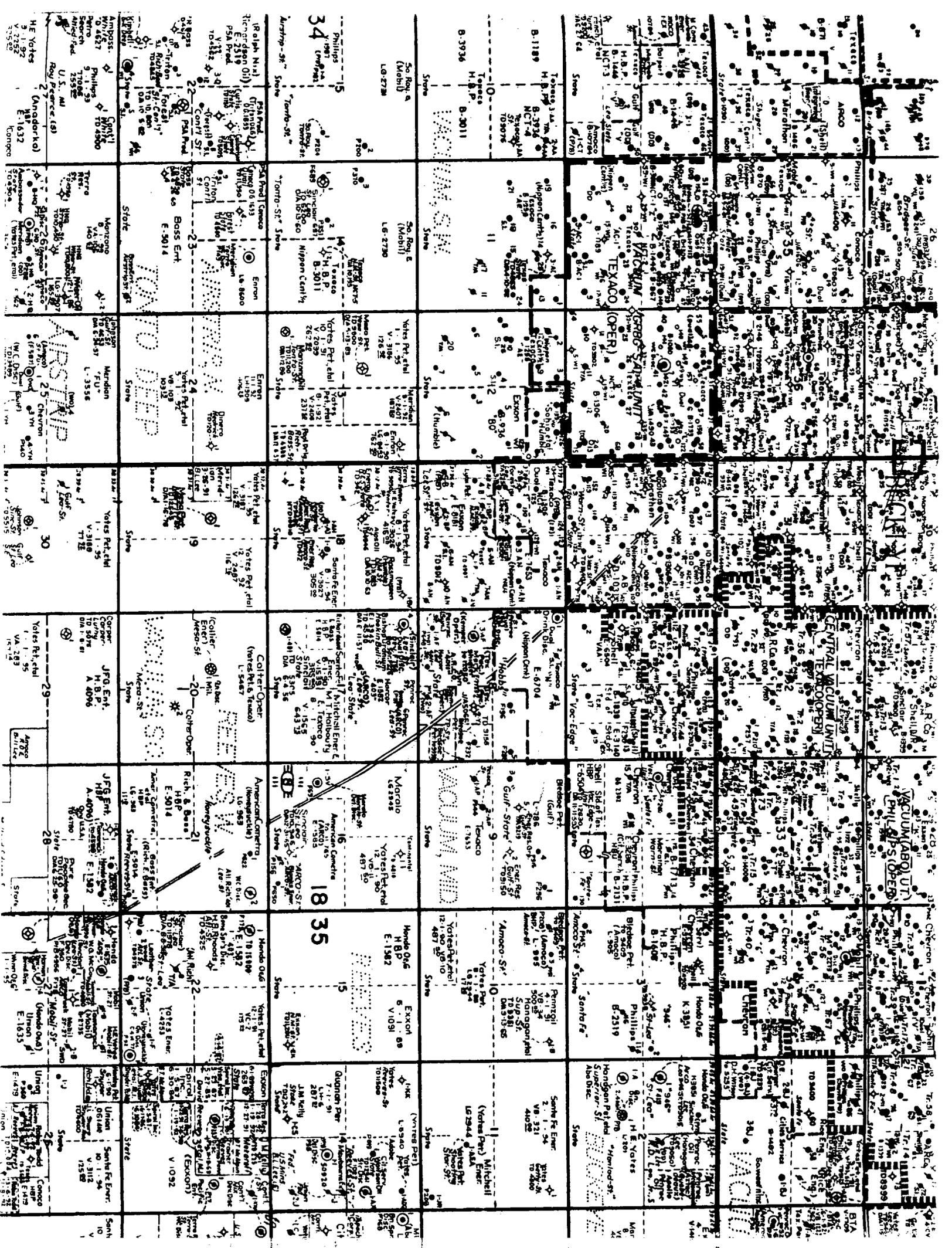
Please note that the STATE "AP" WELL NO. 1 lease is located on State Land under lease to R. D. Lee and Bill Lee aka Lee Cattle Company.

If anyone has any questions, please do not hesitate to contact me.

Sincerely,

LEE CATTLE COMPANY

A handwritten signature in cursive script that reads "Bill L. Lee". The signature is written in dark ink and is positioned below the typed name of the sender.



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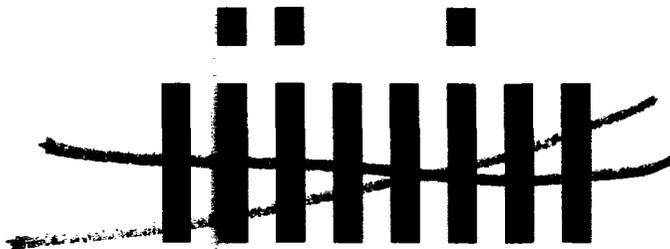
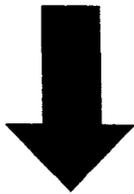
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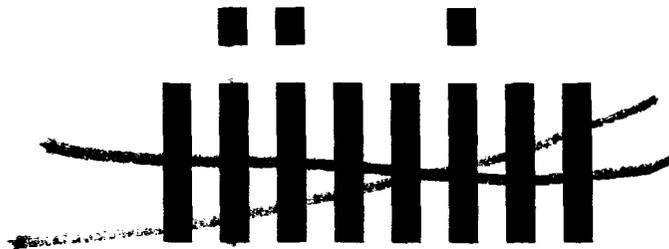
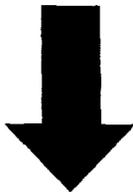
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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION

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GARREY CARRUTHERS  
GOVERNOR

8-2-90

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:

Penroc Oil Corp. State AP #1-L 9-18-35  
 Operator Lease & Well No. Unit S-T-R

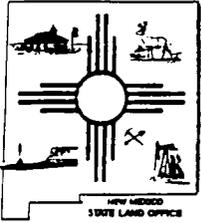
and my recommendations are as follows:

OK  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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Yours very truly,

Jerry Sexton  
 Supervisor, District 1

/ed



State of New Mexico  
Commissioner of Public Lands

OIL CONSERVATION DIVISION  
NEW MEXICO

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W. R. Humphries  
COMMISSIONER

August 6, 1990

Advisory Board

George Clark  
Chairman

Kristin Conniff  
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

Mr. David Catanach  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87504

Re: Application for a Salt Water Disposal

Dear Mr. Catanach:

Application is being made to the Oil Conservation Division from Penroc Oil Corporation for approval of a Salt Water Disposal in Section 9, Township 18 South, Range 35 East within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ , Lea County.

The Commissioner of Public Lands has no objections at this time for your approval of the above application. However, the Commissioner reserves the right to refuse to grant a Salt Water Lease when it would be detrimental to the Trust. As you know the applicant has a right under his valid Oil and Gas lease to dispose of the Salt Water subject to your approval. However, if he is going to inject Salt Water from his wells outside of the leased premises he will have to apply for a Salt Water Disposal Easement from us.

If you have any questions, please call us at 827-5784.

Sincerely,

*Zilla Porter Padilla*

Zilla Porter Padilla, Commercial Resources

ZPP/LM/lb

cc: Date File

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August 7, 1990

Penroc Oil Corporation  
P.O. Box 5970  
Hobbs, New Mexico 88241

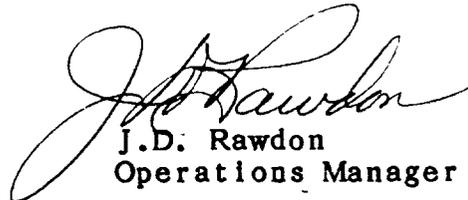
Attn: Mr. M.Y. Merchant

Ref: Conversion to SWD  
State "AP" Well No. 1  
Lea County, New Mexico

Dear Sir:

At this time we cannot accept nor reject your application for disposal. Your letter to this office did not have the application or any attachments so we are at a loss to evaluate your request.

Yours very truly,

  
J.D. Rawdon  
Operations Manager

JDR:dg

cc: State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088  
Attn: Mr. David R. Catonach

# PENROC

DIVISION

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

'90 AUG 13 AM 8 49

August 9, 1990

Bledsoe Partners  
Bethany Bank Tower  
3908 North Peniel  
Bethany, OK 73008

Attn: Mr. J. D. Rawdon

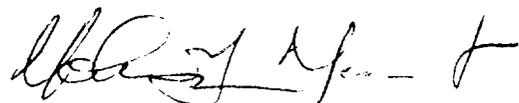
Re: Conversion to SWD  
State 'AP' Well No. 1  
Lea County, New Mexico

Dear Mr. Rawdon:

Enclosed you will find a copy of the application for the captioned. If you have any questions, please give me a call. Thank you.

Sincerely,

PENROC OIL CORPORATION



M. Y. (Merch) Merchant  
President

MYM/br

Enclosure

CC: State of New Mexico  
Oil Conservation  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088  
**Attn: Mr. David R. Catanach**

827-5741

August 20, 1990

*This letter is taken as a warning of objection from Bledson  
Rec'd 8-27-90  
DJE*

Penroc Oil Corporation  
P.O. Box 5970  
Hobbs, New Mexico 88241

Attn: Mr. M.Y. Merchant

Ref: Conversion to SWD  
State "AP" Well No. 1  
Lea County, New Mexico

Dear Sir:

As you are probably aware Bledsoe Petro has three leases offsetting or adjacent to your proposed SWD well in Section 9, T18S, R35E, Lea County, New Mexico. We would be interested in collecting our water and delivering it to your injection site via a pipeline. We could install a holding tank at our battery site or at your injection plant. Our three leases are presently producing 50 barrels of water per day.

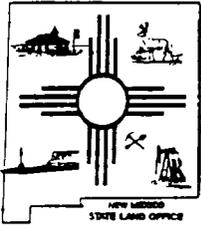
Please advise what you would 1) charge to dispose of our produced water, 2) minimum/maximum volume you could inject for us, 3) and when do you anticipate the well will be available for injection.

Yours very truly,

  
J.D. Rawdon  
Operations Manager

JDR: dg

		# of pages ▶ 1
To David Catano L	From	NKrech
Co. NMOGD	Co.	Penroc
Dept. O & G	Phone #	397-3596
Fax # 827-5741	Fax #	392-7051



State of New Mexico  
Commissioner of Public Lands

RECEIVED  
OIL CONSERVATION DIVISION  
RECEIVED  
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W. R. Humphries  
COMMISSIONER

Advisory Board

George Clark  
Chairman  
Kristin Conniff  
Vice Chairman  
Melvin Cordova  
Joe Kelly  
Robert Portillos  
Nancy Lynch Vigil  
Rex Wilson

September 6, 1990

Mr. David Catanach  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
P. O. Box 2088  
State Land Office  
Santa Fe, New Mexico 87504

SWD-398

RE: Application for a Salt Water Disposal Easement

Dear Mr. Catanach:

Application is being made to Oil Conservation Division from Penrock Oil Corporation for approval of a salt water disposal in Section 9, Township 18 South, Range 35 East, within NW $\frac{1}{4}$ NW $\frac{1}{4}$ , Lea County.

The Commissioner of Public Lands has no objections at this time for your approval of the above application. However, the Commissioner reserves the right to refuse to grant a salt water easement when it would be detrimental to the Trust. As you know the applicant has a right under his valid oil and gas lease to dispose of the salt water subject to your approval. However, if he is going to inject salt water from other wells outside of the leased premises he will have to apply for a salt water disposal easement from us.

If you have any questions, call us at 827-5724.

Sincerely,

  
Leo R. Maes  
Commercial Resources

LRM/jm

cc: Date File