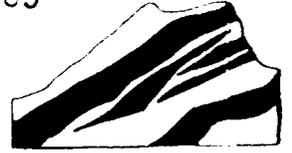


PEAK

11000024 8710 09

CONSULTING SERVICES
ENVIRONMENTAL,
GEOLOGICAL & REGULATORY
SPECIALISTS



PCS

P.O. BOX 636
HOBBS, NEW MEXICO 88240
OFFICE (505) 392-1915

April 24, 1991

Mr. David Catanach
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Lea "KN" State # 2
Disposal Application
Sec. 17 - T17S - R37E
Lea County New Mexico

Dear David:

Please find enclosed two amended copies of the application to convert the Lea "KN" State No. 2 to disposal. The proposed injection zone is the Abo at approximately 9000' - 9200'. We will squeeze all existing perforations and drill out the 5 1/2" casing shoe into the open hole section about 100'.

This application qualifies for administrative approval. All offset operators have been notified, and I will forward the proof of publication to complete Part XIV of the the application when it is returned to me.

If you have any questions or if I can be of any assistance, please let me know. Thank you for your time and cooperation.

Sincerely,

Michael L. Pierce
Peak Consulting Services

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? yes no

II. Operator: TEAM EXPLORATION INC.

Address: P.O. BOX 636 Hobbs, New Mexico 88240-0636

Contact party: M. L. Pierce Phone: 505-392-1915

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.

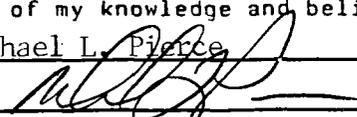
XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

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: Michael L. Pierce Title Agent

Signature:  Date: 4-23-91

* 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. Logs previously submitted by Gulf Oil

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

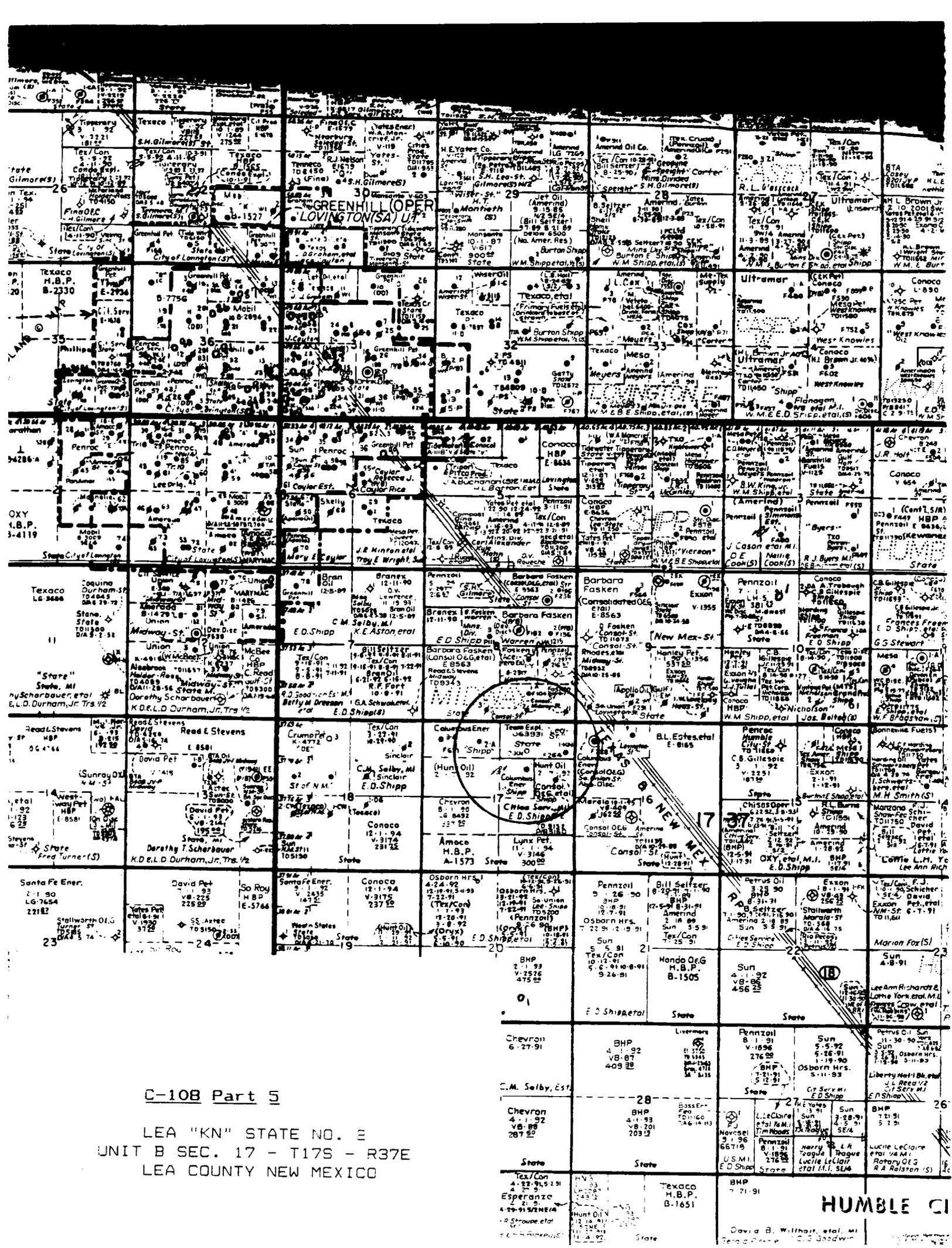
All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

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.



C-108 Part 5

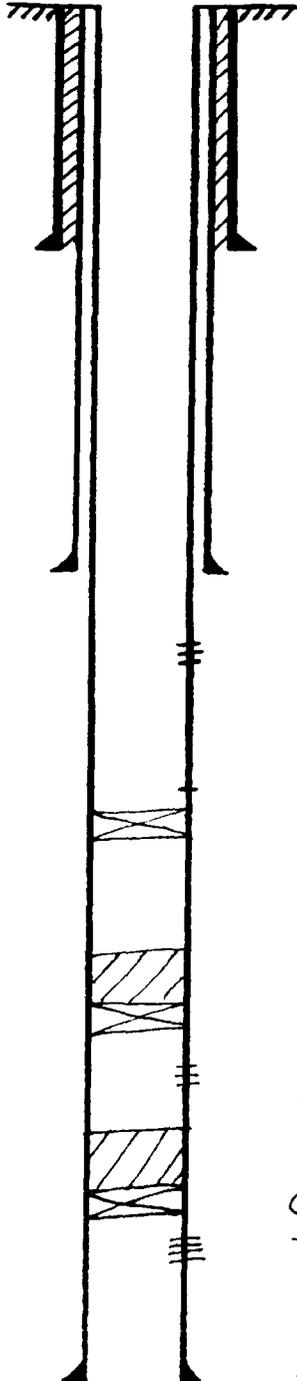
LEA "KN" STATE NO. E
 UNIT B SEC. 17 - T17S - R37E
 LEA COUNTY NEW MEXICO

HUMBLE CI

OPERATOR LUTHER McNeely	DATE 2-25-91
LEASE LeA KN STATE	WELL No # 2
	LOCATION Unit B sec 17-T17S-R37E

Status : TA'D

990' FNL AND 1650' FEL



13 3/8" CSg set @ 359' w/ 300 SXS NEAT cmt
hole 17 1/2" Cement Circulated

8 5/8" casing set at 4299' with 450 sx of NEAT SAT. cement
Hole size 11" TOC CALCULATED = 3219' 50% efficiency

Sqz SA w/ 400 SXS cmt
perf SA @ 5071-82 A/ 2500 gal 15%
Perf 6800 sqz w/ 400 SXS cmt
Set CIBP @ 6858
TOC 6810'

Set CIBP @ 7920 + 35' cmt
Perf 7971-7991 w/ 2 SPF A/ w/ 5500 gals 15%

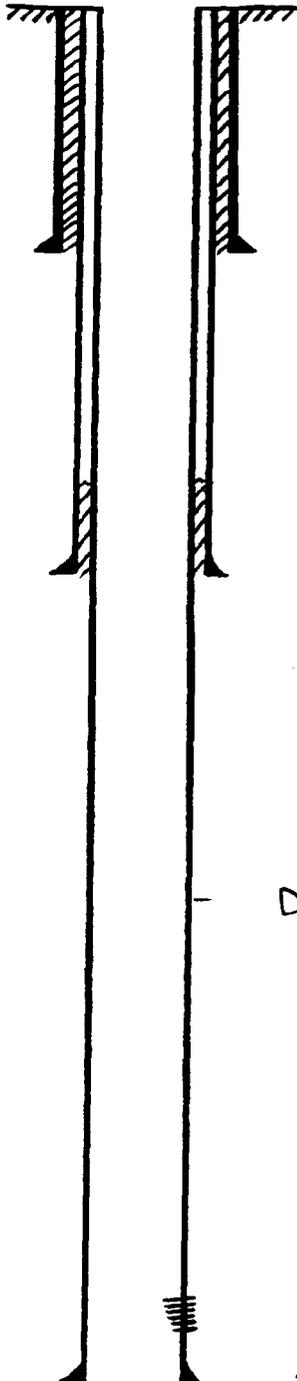
CIBP @ 8748 + 35' cmt
Perf 8797-8982

5 1/2" casing set at 9009' with 385 sx of NEAT cement
Total Depth 9010' Hole size 7 7/8" TOC by TS
6810'

OPERATOR BARBARA FASKEN		DATE 2-25-91	
LEASE Consolidated "A" State	WELL NO. 1	LOCATION Unit 0 sec 8 - T17S - R37E	

LEA County New Mexico

Status: Producing
Midway Devonian



13 3/8" CSG set at 399' with 350' SXS class C + Lite
17 1/2" hole Circulated

ToC 4100' TS

8 5/8" casing set at 4392' with 1900 sx of C+Lite cement
Hole size 12 1/4" Circulated

Dv Tod

perf 11753 - 11922

Dv @ 8532'

1st 875 circ.

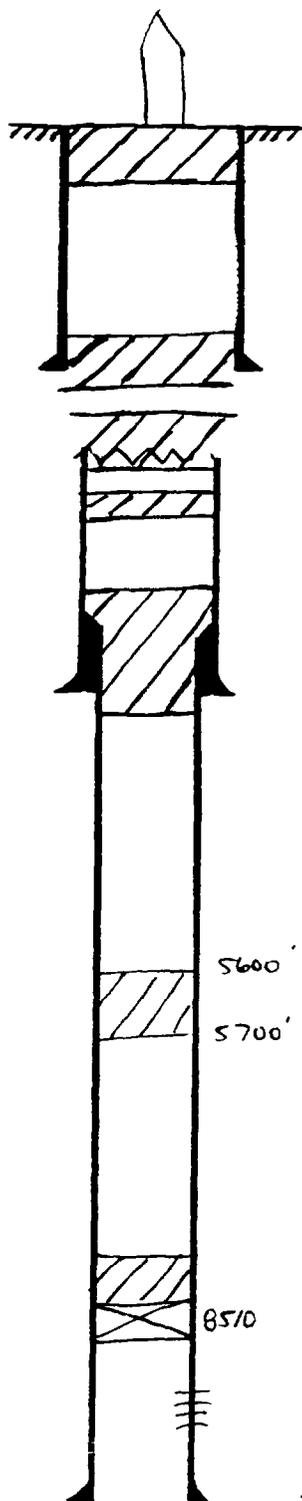
2nd 950 ToC 4100' TS

5 1/2" casing set at 11934' with _____ sx of H,C, Lite cement

Total Depth 11934' Hole size 7 7/8" "

OPERATOR	Consolidated Oil and Gas Inc.		DATE	2-25-91
LEASE	Midway State	WELL NO.	2	LOCATION Unit 0 sec 8-T17S-R37E

STATUS P+A 1-22-82



10 SXS @ surface

40 SXS @ 230-330'

12 3/4" CSg set @ 301' w/ 350 SXS Circulated

35 SXS @ 650-750'

8 5/8 CSg cut and pulled from 700'

35 SXS @ 782-882

8 5/8" casing set at 4354' with 350 sx of Neat cement

Hole size 12 1/4"

5600'

5700'

35 SXS @ 5600-5700'

8510'

CIBP @ 8510 + 10 SXS cmt

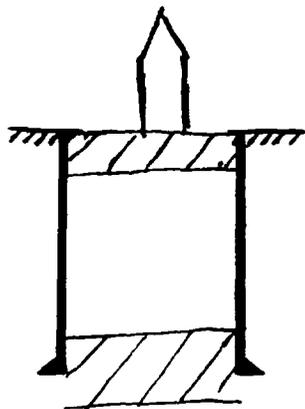
perf 8703-8842

5 1/2" ^{Liner} casing set at 8900' with 425 sx of Neat cement ^{2% Nacl +}

Total Depth 8905' Hole size 6 1/4"

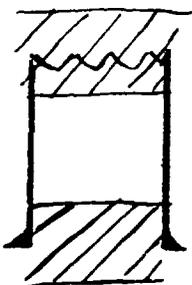
OPERATOR	Supron Energy Corporation		DATE	2-25-91
LEASE	Lovington 9 STATE	WELL No.	1	LOCATION Unit P Sec 9-7175-R37E

STATUS: P & A 12-19-76



10 SXS @ surface

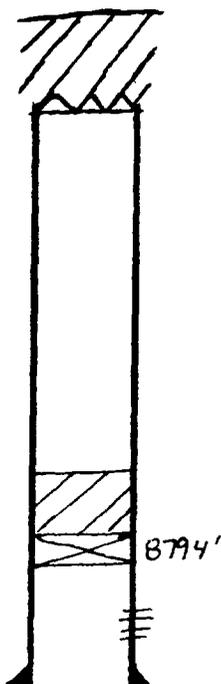
65 SXS @ 240 - 360'
 13 7/8" CSG set @ 303' w/ 250 SXS circulated



45 SXS plug @ 950 - 1060
 8 5/8" CSG cut and pulled @ 1010'

50 SXS @ 3425 - 3594

8 5/8" casing set at 3548' with 400 sx of NEAT cement
 Hole size 11"



50 SXS plug 5820 - 6175'
 4 1/2" CSG cut and pulled @ 6175'

CIBP 8794 + 35 SXS cmt
 perf 8813 - 8904'

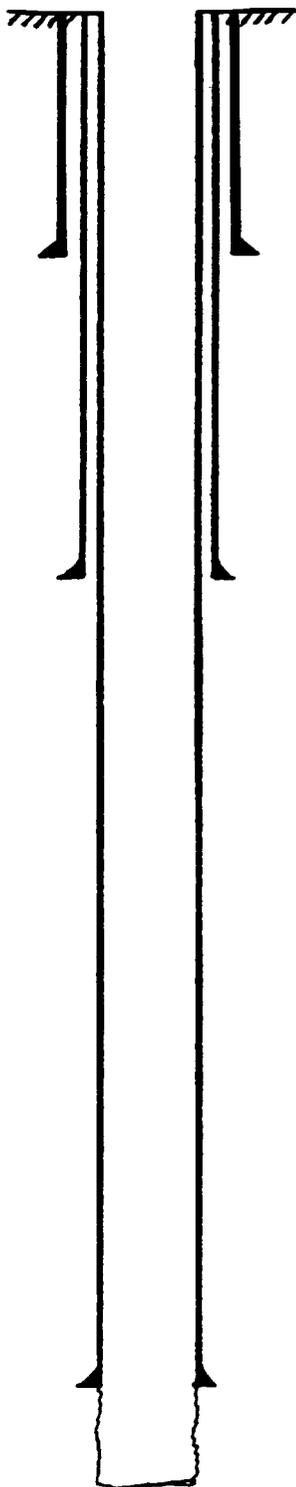
4 1/2" casing set at 9217' with 183 sx of NEAT cement
 Total Depth 9217' Hole size 7 7/8"

OPERATOR	Columbus Energy Corp		DATE	2-25-91
LEASE	SHipp #	WELL No	2	LOCATION Unit I sec 17-T17S-R37E

STATUS: Active SWD

Abo

Converted to SWD 3-14-69



12³/₄" CSg set @ 310' w/ 225 SXS 2% gel cmt
15" hole circulated

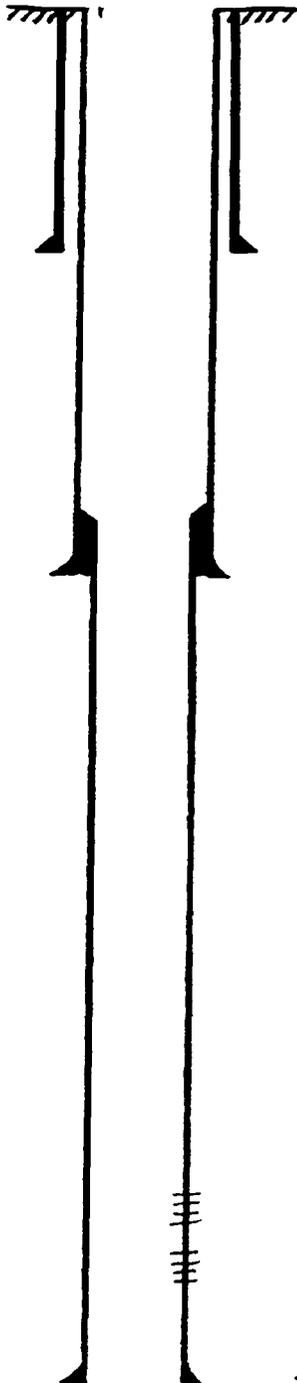
8⁵/₈" casing set at 3579' with 200 sx of 2% gel cement
Hole size 11" Toc by calculation 3099'
50% efficiency

perf 8924-9088 - SQZD w/ 300 SXS

5¹/₂" casing set at 9058' with 700 sx of 2% gel cement
Total Depth 9118' Hole size 7⁷/₈" Toc 6594'
50% efficiency
OH 9118-9200 (Injection Interval)

OPERATOR	CONSOLIDATED OIL AND GAS, Inc		DATE	2-25-91
LEASE	Shipp "A"	WELL NO.	1	LOCATION Unit G Sec 17-T17S-R37E

STATUS: Active Producer
Midway Abo



12³/₄" csg set @ 310' w/ 375 SXS neat cmt
17¹/₂" hole Circulated

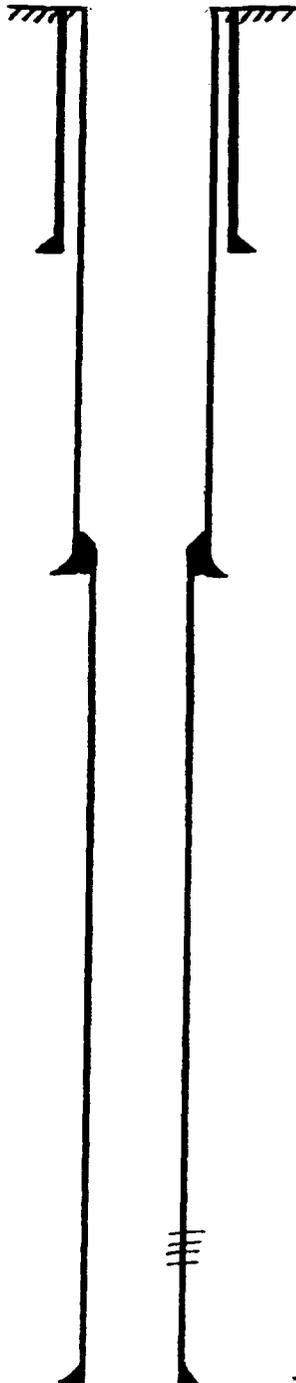
7⁷/₈" casing set at 3970' with 250 sx of 50-50 pot cement
Hole size 11" TOC by calculation 3525'
50% efficiency
Repair Liner top - pump 175 SXS

perf. 8886 - 8906
8921 - 8952

5¹/₂" ^{Liner} casing set at 8976' with 100 sx of 50-50 pot cement
Total Depth 8985' Hole size 6³/₄"
Liner @ 3871' Circulated

OPERATOR	Consolidated Oil and Gas, Inc		DATE	2-25-91
LEASE	Shipp "A"	WELL No.	2	LOCATION Unit C sec 17-T17S-R37E

STATUS: Active Producer
Midway Abo



12³/₄" csg set @ 293' w/ 350 sx of neat cement
17¹/₂" hole circulated

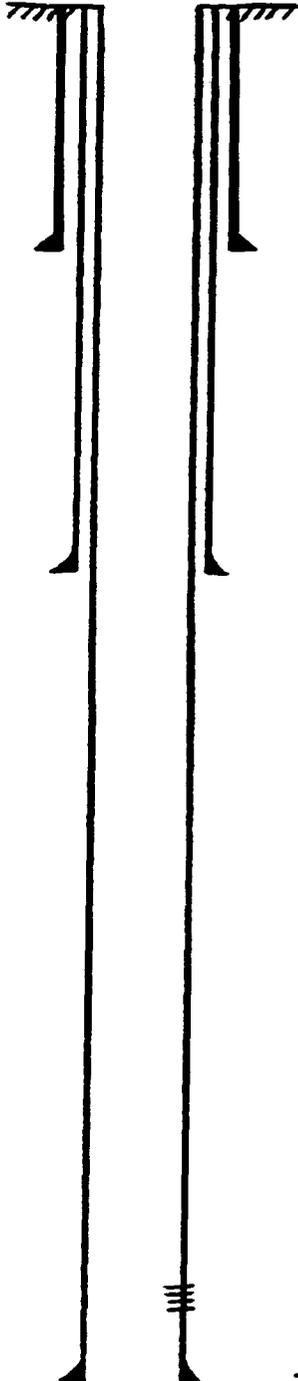
8⁵/₈" casing set at 4392' with 300 sx of 50-50 pot cement
Hole size 11" TOC calculated 3672'
50% efficiency

perf. 8836 - 8887

5¹/₂" Liner casing set at 9022' with 500 sx of 50-50 pot cement
Total Depth 9025' Hole size 7⁷/₈"
Liner Top @ 4335' Circulated

OPERATOR	Luther McNeely	DATE	2-25-91
LEASE	Lea KN STATE	WELL No	1
		LOCATION	Unit A sec 17-T17S-R37E

Status: Active Producer
Midway Abo



13³/₈" Csg set @ 346' w/ 286 SXS NEAT cmt
1 1/2" hole Circulated

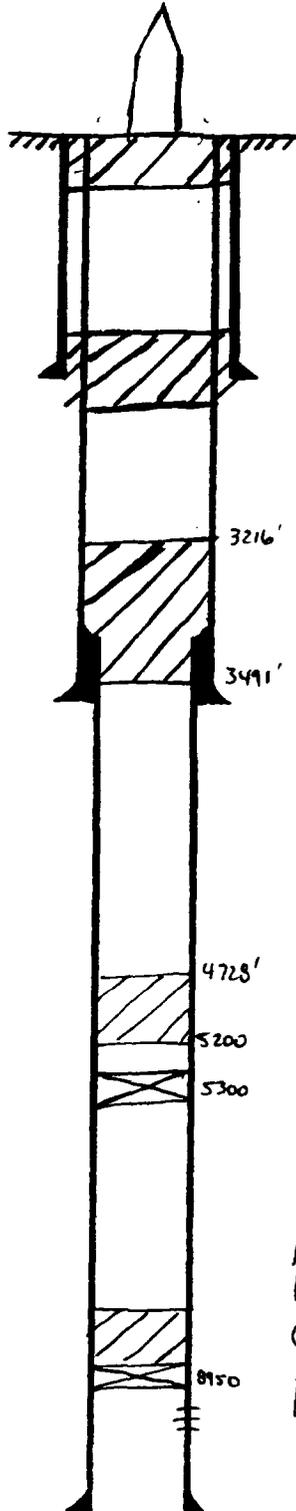
8 5/₈" casing set at 3596' with 250 sx of NEAT cement
Hole size 11" TOC by calculation is 2996'
50% efficiency

perf 8800 - 8932 (ABO)

5/₂" casing set at 8998' with 350 sx of gell cement
Total Depth 9011' Hole size 7 7/₈" TOC by
TS is 6240

OPERATOR	Consolidated Oil and Gas, Inc.		DATE	2-25-91
LEASE	Shipp	WELL NO	1	LOCATION unit H sec 17-T17S-R37E

STATUS: P + A 11-20-85



50 SXS @ 500'

10 3/4" CSg set @ 343' w/ 275 SXS 2% NaCl cmt
15" hole circulated

perf 7 7/8 @ 400' pump 50 SXS

3216'

3491'

7 5/8" Top of Liner @ 3424'
casing set at 3550' with 300 sx of 2% NaCl cement
Hole size 9 7/8" Toc calculated

60 SXS plug 3216 - 3491

Sqz 5092-5105 w/ 50 SXS from 4728-5200
perf 5092-5105 - Converted to SA SWD in 9-11-70

CIBP @ 5300'

perf 8910 - 8928

perf 8902 - 8857 } Sqz w/ 150 SXS
perf 8910 - 8928 }

Perf 8910 - 8940 - Sqz w/ 200 SXS

CIBP @ 8950' + SXS cmt.

perf 8963 - 8969

8950'

5/2" Liner casing set at 9030' with 330 sx of 2% NaCl + Neat cement

Total Depth 9032' Hole size 6 3/4" Top of Liner @ 3424'

FORM C - 108 cont.

Part III. A

- 1.) LEA "KN" STATE No. 2
990' FNL and 1650' FEL
Sec. 17 - T17S - R37E
Unit B
Lea County, New Mexico
- 2.) See attached wellbore schematic.
- 3.) Propose to run approximately 8800' of 2 7/8" plastic lined tubing.
- 4.) Propose to use a Haliburton Tension Packer as a seal, and load the casing annulus with packer fluid.

Part III. B

- 1.) The injection formation is the Abo, and the well is located in the Midway Abo Field.
- 2.) The injection interval will be cased and open hole at approximately 9000' to 9200'.
- 3.) This well was drilled originally as an oil well.
- 4.) See wellbore schematic
- 5.) There is no deeper oil bearing horizon. There is production from the Midway Abo at approximately 8800'.

Part VII.

- 1.) Proposed average daily injection will be 2000 bbls/ day. Maximum will be 3500 bbls./ day.
- 2.) The system will be closed.
- 3.) The average injection pressure will be 0(Vacuum). The maximum will not exceed the limits set forth by the OCD.
- 4.) The source of the water will vary, however it will come from surrounding areas.
- 5.) The Abo is productive within one mile of the Lea "KN" State #2 well.

Part VIII

The injection interval is the Abo, and is composed of porous Dolomite and Limestone. The top of the Abo is at 8794. This entire area is overlain by the Ogallala Formation at 100' to 200' below the surface. This is the only fresh water in the area. There are no fresh water zones below the Abo.

Part IX

The disposal interval will be treated with 5000 - 7500 gallons 15% acid.

Part X

The logs and data were previously submitted by Gulf Oil.

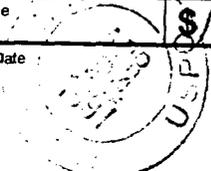
Part XI

There are no active fresh water wells within one mile of the Lea "KN" State.

Part XII

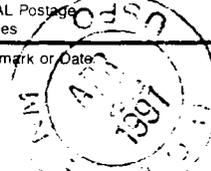
We have examined all available geologic and engineering data, and find no evidence of open faults or any other hydrologic connection between the disposal interval and any underground source of drinking water.

P 661 764 808
 **Certified Mail Receipt**
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to <i>State Land Office</i>	
Street & No <i>PO Box 1148</i>	
P.O. State & ZIP Code <i>Santa Fe NM 87501-1148</i>	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 1.29
Postmark or Date	

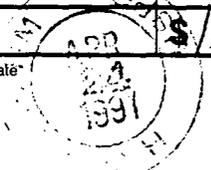
PS Form 3800, June 1990

P 661 764 811
 **Certified Mail Receipt**
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to <i>E.D. Shipp</i>	
Street & No <i>1104 W. ADE J</i>	
P.O. State & ZIP Code <i>Lovington NM 88260</i>	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 1.29
Postmark or Date	

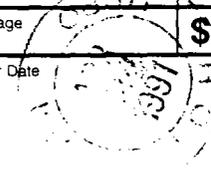
PS Form 3800, June 1990

P 661 764 807
 **Certified Mail Receipt**
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to <i>Hunt Oil Co.</i>	
Street & No <i>One Potokan Crt Ste 212</i>	
P.O. State & ZIP Code <i>Midland TX 79705 86458</i>	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 1.29
Postmark or Date	

PS Form 3800, June 1990

P 661 764 810
 **Certified Mail Receipt**
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to <i>Consolidated Oil + GAS</i>	
Street & No <i>410 17th St. Suite 440</i>	
P.O. State & ZIP Code <i>Newnan GA 30202</i>	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 1.29
Postmark or Date	

PS Form 3800, June 1990

P 661 764 209

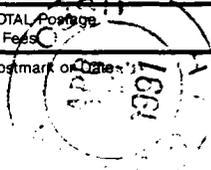


Certified Mail Receipt

No Insurance Coverage Provided

Do not use for International Mail

(See Reverse)

Sent to BARBARA FASKEN	
Street & No. 303 W. WALL Suite 190	
P.O., State & ZIP Code M. Illinois Texas 79701-5416	
Postage	\$ 29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 1.29
Postmark or Date	

PS Form 3800, June 1990

P.O. BOX 636
HOBBS, NEW MEXICO 88240
OFFICE (505) 392-1915

PEAK
CONSULTING SERVICES
ENVIRONMENTAL,
GEOLOGICAL & REGULATORY
SPECIALISTS

OIL CONSERVATION DIVISION
RECEIVED
MAY 6 1991 4 PM 1 52



PCS

May 6, 1991

Mr. David Catanach
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Lea "KN" State # 2
Disposal Application
Sec. 17 - T17S - R37E
Lea County New Mexico

Dear David:

Please find enclosed the proof of publication for the Lea "KN" State No. 2 application. I have not received any notice from offset operators or the land owner wanting to protest this application, at this time.

If you have any questions or if I can be of any assistance, please let me know. Thank you for your time and cooperation.

Sincerely,

Michael L. Pierce
Peak Consulting Services

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

of the Hobbs Daily News-Sun, a daily 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 _____

One weeks.
Beginning with the issue dated

April 25, 19 91
and ending with the issue dated

April 25, 19 91

Kathi Bearden
General Manager

Sworn and subscribed to before

me this 30 day of

April, 19 91

Rhonda Copeland
Notary Public.

My Commission expires _____

July 25, 19 91

(Seal)

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.

LEGAL NOTICE

April 25, 1991

TEAM EXPLORATION INC., whose address is P.O. BOX 636, HOBBS, NEW MEXICO 88240, proposes to convert the following well for the purpose of disposing produced water from oil and gas production.

The well is the Lea "KN" State No. 2, 990' FNL and 1650' FEL Sec. 17 - T17S - R37E, unit B. The injection zone is the ABO 9000'- 9200'. The maximum injection rate is 3500 bbls/day, with 0 pressure.

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 15 days.

Inquiries regarding this application should be directed to M. Pierce, P.O. Box 636, Hobbs, New Mexico 88240, (505) 392-1915.



OIL CONSERVATION DIVISION
RE: ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
MAY 13 AM 10 01

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

5-9-91

BRUCE KING
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:

Team Exp. Inc. Lea Km State #2 B 17-17-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed