

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: LBO New Mexico, Inc. Well: GRAYBURG JACKSON TRACT 14 #1
Contact: ROZONIA McCELLAN Title: SEC. Phone: 915 686 8600
DATE IN 6-8-95 RELEASE DATE 6-22-95 DATE OUT 6-30-95

Proposed Injection Application is for: WATERFLOOD Expansion Initial

Original Order: R- Secondary Recovery Pressure Maintenance

SENSITIVE AREAS

SALT WATER DISPOSAL

WIPP

Capitan Reef

Commercial Operation

Data is complete for proposed well(s)? YES Additional Data _____

AREA of REVIEW WELLS

2 Total # of AOR

1 # of Plugged Wells

Tabulation Complete

Schematics of P & A's

Cement Tops Adequate

AOR Repair Required

INJECTION INFORMATION

Injection Formation(s) GRAYBURG (PREMIER SAND)

Source of Water AREA GUTSA Compatible YES

PROOF OF NOTICE

YES Copy of Legal Notice

YES Information Printed Correctly

YES Correct Operators

YES Copies of Certified Mail Receipts

Objection Received

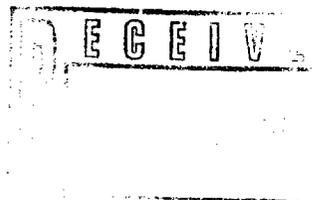
Set to Hearing _____ Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL YES

COMMUNICATION WITH CONTACT PERSON:

Contact	Method	Letter	Date	Nature of Discussion
1st Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	_____
2nd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	_____
3rd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	_____



6-22-95
FORM C-108
Revised 7-1-81
597

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: LBO New Mexico, Inc.
ADDRESS: 505 N. Big Spring, # 105, Midland, TX 79701
CONTACT PARTY: Razonia McClellan PHONE: 915/686-8600
- III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project: Yes X 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 sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Razonia McClellan TITLE: Secretary
SIGNATURE: Razonia McClellan DATE: 4-28-95
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal. _____

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, PO Box 2088, Santa Fe, NM 87504-2088 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.

INJECTION WELL DATA SHEET

OPERATOR LBO New Mexico, Inc. LEASE B-2130
WELL NO. D, 660' FNL 660' FWL SECTION 36 TOWNSHIP 17S RANGE 30E
FOOTAGE LOCATION

Schematic

Well Construction Data

Surface Casing

Size 8 5/8" Cemented with 50 sx.
TOC surface feet determined by 582'
Hole Size 10"

Intermediate Casing

Size _____ Cemented with _____ sx.
TOC _____ feet determined by _____
Hole Size _____

Long String

Size 7" Cemented with 50 sx.
TOC 2200' feet determined by 2997'
Hole Size 8"
Total Depth 3341'

Injection Interval *

_____ feet to _____ feet
(perforated or open-hole; indicate which)

*OPEN HOLE

INJECTION WELL DATA SHEET

Tubing Size 2 3/8" lined with plastic coating set in a
7" Johnson tension packer at 2912'
 (type of internal coating) feet

Other type of tubing / casing seal if applicable N/A

Other Data

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

If no, for what purpose was the well originally drilled? Production purposes

2. Name of the injection formation premier

3. Name of Field or Pool (if applicable) Grayburg Jackson

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e., sacks of cement or plug(s) used. NO

5. Give the names and depths of any over or underlying oil of gas zones (pools) in this area.
overlying 1900'
Yates Seven River

IV. Well Name Anadarko Petroleum, Power Fed Com #2 Oil
 Section 26 Township 17S Range 30E Location: 1400' FSL 600' FEL
 Spud 9-17-93 Comp. 12-15-93 TD 11,350'
 Perf. 10610'-10622'
 IP 322 BOPD 1577 MCFD 15/6CK 24 HRS

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
13 3/8"	518'	450 sx
9 5/8"	3505'	1500 sx
4 1/2"	11551'	1830 sx

Well Name Enron O&G, Cedar Lake #1 Oil
 Section 35 Township 17S Range 30E Location: 1240' FNL 1980' FEL
 Spud 3-29-92 Comp. 6-12-92 TD 12500'
 Perf. 11188'-11234'
 IP 104 BOPD 2512 MCFD 14BW 14/6CK 24 HRS

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
13 3/8"	626'	525sx
8 5/8"	4506'	2200 sx
5 1/2"	12500'	1035 sx

Well Name LBO New Mexico, Grayburg Jackson 13-7 Oil
 Section 25 Township 17S Range 30E Location: 660' FSL 660' FWL
 Spud 10-29-43 Comp. 1-12-44 TD 3311'
 Perf. open hole (3134'-3311')
 IP 250 BOPD, open tubing after shot

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
8 1/4"	547'	50 sx
7"	3134'	100 sx

Well Name LBO New Mexico, Grayburg Jackson 13-8 Oil
 Section 25 Township 17S Range 30E Location: 660' FSL 1980' FWL
 Spud 6-28-44 Comp. 9-1-44 TD 3346'
 Perf. open hole (2954'-3346')
 IP 25 BOPD + 24 Bbls of water

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
8 1/4"	550'	50 sx
5"	2954'	100 sx
*3 1/2"	3363'	900 sx

*Anadarko, re-entered 5-12-66, TD 3367', converted into injector, Perf. 3300'-3338'
 *Anadarko plugged 9-16-82

Well Name LBO New Mexico, Amoco # 1 Oil
 Section 36 Township 17S Range 30E Location: 660' FNL 1980' FWL
 Spud 8-9-48 Comp. 9-30-48 TD 3390'
 Perf. plugged 9-30-48
 IP

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
8 5/8"	515'	50 sx
*4 1/2"	3390'	1236 sx

*General Oper. Amoco #1 re-entered 7-2-88, Perf. 3016'-3353', IP 25 BOPD + 30 MCF + 120 BW

Well Name LBO New Mexico, Amoco # 2 Oil
 Section 36 Township 17S Range 30E Location: 1989' FNL 660' FWL
 Re-Spud 9-9-88 Comp. 10-12-88 TD 3400'
 Perf. 3065'-3274'
 IP 15 BOPD 60 W 24 HRS

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
8 5/8"	503'	50 sx
7"	3200'	50 sx
4 1/2"	3400'	925 sx

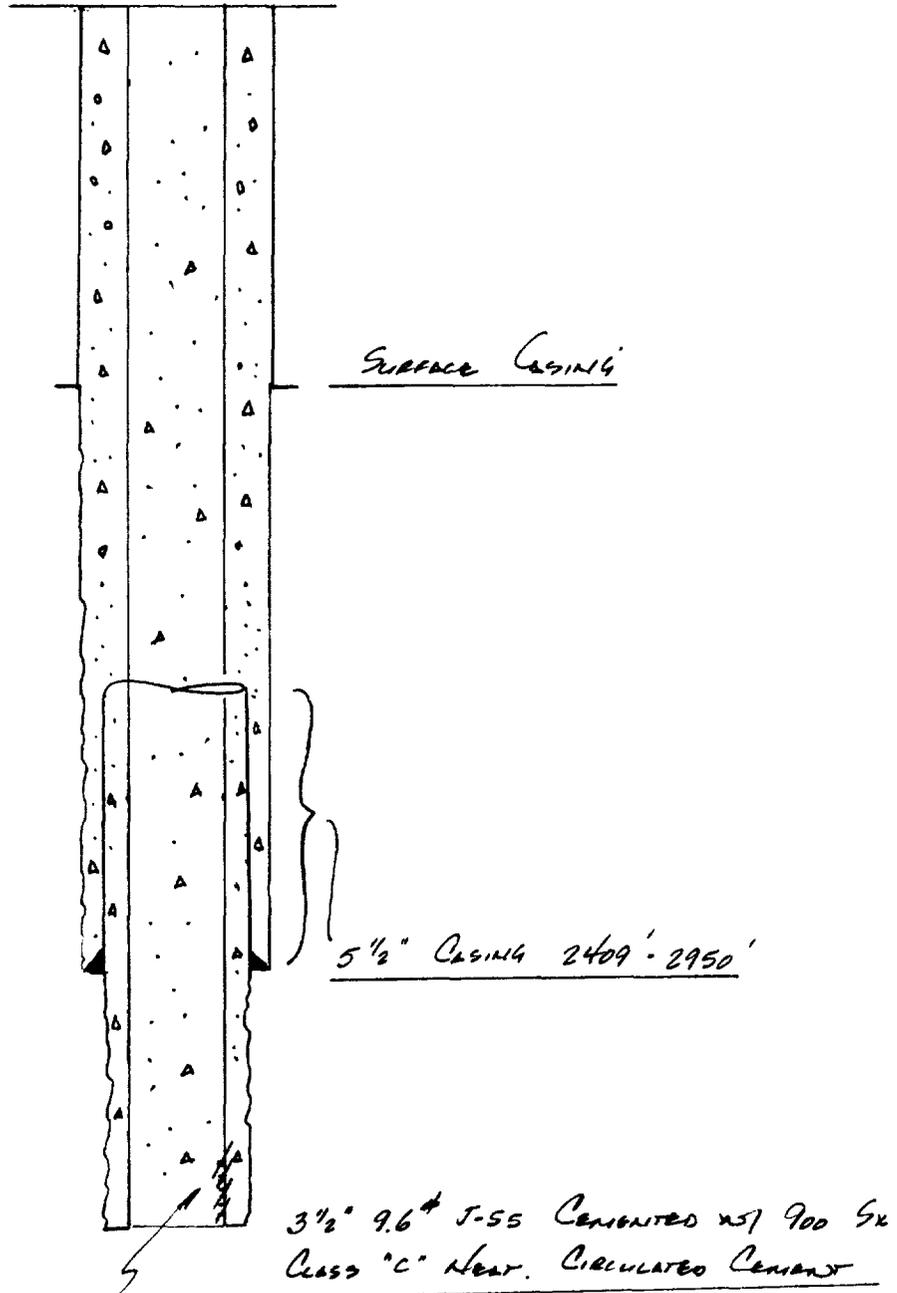
Well Name Seely Oil, Stevens Federal #1 Oil
 Section 35 Township 17S Range 30E Location: 660' FNL & 660' FEL
 Comp. 8-1-74 TD 3400'
 Perf. 3100'-3350'
 IP 70 BOPD 90 BWPD GOR 1500:1

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
8-5/8"	500'	100 sx
4-1/2"	3400'	150 sx

Well Name Seely Oil, Stevens Federal # 2 Oil
 Section 35 Township 17S Range 30E Location: 660' FNL & 1980' FEL
 Comp. 9-22-74 TD 3400'
 Perf. 3197'-3200', 3222'-28', 3274'-80', 3282'-86', 3310'-16'
 IP 156 BOPD, 20 BWPD, 24 HRS

<u>CSG</u>	<u>Depth</u>	<u>CMT</u>
8 5/8"	500'	100 sx
4 1/2"	3400'	500 sx

WELLDONE Schematic
LBO New Mexico, INC
GOTU TRACT "13"-9



Casing Perforations: 3300-3338
SOLICITED & 3 1/2" LEFT FULL OF CEMENT

- VII.
1. Proposed average and maximum daily rate and volume of fluids to be injected.
Maximum: 300 bbls/day
Average: 150 bbls/day
 2. Whether the system is open or closed.
closed system
 3. Proposed average and maximum injection pressure.
Maximum: 1100#
Average: 900#
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water.
N/A
 5. If injection is for disposal 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 well, etc.)
N/A
- 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 under ground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
N/A
- IX. Describe the proposed stimulation program, if any.
None
- X. Attach appropriate logging and test data on the well. (If well logs have been filed with the division, they need not be resubmitted.)
Talked to Ben Stone at OCD on 5-8-95, logs and data are filed w/ OCD.
- 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.
N/A



LBO ENERGY, INC.

a subsidiary of

STRATA ENERGY RESOURCES CORP.

May 31, 1995

LBO Energy, Inc. has reviewed all of the geological and engineering data regarding the Grayburg Jackson 14-1 proposed water injection well. There is **no** evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

LBO ENERGY, INC.

Jeffrey A. Smith, Geologist

afmstmmt

XIII. Legal Advertisement in the Artestia Daily Press on Sunday June 4, 1995

LBO New Mexico, Inc. at 505 N. Big Spring, Suite 105, Midland, Texas 79701 Attn: Jeff Smith is seeking approval to convert the Grayburg Jackson Tract "14" Well No. 1 located 660' FNL & 660' FWL of Section 36, T 17S, R 30E, Eddy County, New Mexico to a disposal well. LBO New Mexico, Inc. plans to inject 300 BWPD at a maximum pressure of 900 psi into the Premier Sands from 2992' to 3341'. Interested parties should file objections or requests for a hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87506-2088 within 15 days.

gbjartad



LBO ENERGY, INC.

a subsidiary of

STRATA ENERGY RESOURCES CORP.

June 1, 1995

Brandon Nadrash
Anadarko Production Company
P.O. Box 2497
Midland, TX 79702

Dear Mr. Nadrash:

I am writing to inform you that LBO New Mexico, Inc. is seeking approval to convert the Grayburg Jackson Tract "14" Well No. 1 located at 660' FNL & 660' FWL of Section 36, T 17S, R 30E, Eddy County, New Mexico to a disposal well. We plan to inject 300 BWPD at a maximum pressure of 900 psi into the Premier Sand from 2992' to 3341'. If you have objections or requests you should file them with the Oil Conservation Division, at P.O. Box 2088, Santa Fe, New Mexico 87506-2088 within 15 days of this letter. This information has been published in the Artesia Daily Press on Sunday, June 4, 1995.

If there are any question you can reach Jeff Smith in our Midland, Texas office at (915) 686-8600. Please do not hesitate to give him a call. Thank you for you attention to this matter.

Sincerely,

LBO NEW MEXICO, INC.

Razonia McClellan

wtrinj#3



LBO ENERGY, INC.

a subsidiary of
STRATA ENERGY RESOURCES CORP.

June 1, 1995

Seely Oil Company
815 W. Tenth Street
Ft. Worth, TX 76102

Dear Seely Oil Company:

I am writing to inform you that LBO New Mexico, Inc. is seeking approval to convert the Grayburg Jackson Tract "14" Well No. 1 located at 660' FNL & 660' FWL of Section 36, T 17S, R 30E, Eddy County, New Mexico to a disposal well. We plan to inject 300 BWPD at a maximum pressure of 900 psi into the Premier Sand from 2992' to 3341'. If you have objections or requests you should file them with the Oil Conservation Division, at P.O. Box 2088, Santa Fe, New Mexico 87506-2088 within 15 days of this letter. This information has been published in the Artesia Daily Press on Sunday, June 4, 1995.

If there are any question you can reach Jeff Smith in our Midland, Texas office at (915) 686-8600. Please do not hesitate to give him a call. Thank you for you attention to this matter.

Sincerely,

LBO NEW MEXICO, INC.

A handwritten signature in cursive script that reads "Razonia McClellan".

Razonia McClellan

wtrinj#3



LBO ENERGY, INC.

a subsidiary of

STRATA ENERGY RESOURCES CORP.

June 1, 1995

Enron Oil & Gas Company
P.O. Box 2267
Midland, TX 79702

Attn: Drilling Department

Dear Enron Oil & Gas Company:

I am writing to inform you that LBO New Mexico, Inc. is seeking approval to convert the Grayburg Jackson Tract "14" Well No. 1 located at 660' FNL & 660' FWL of Section 36, T 17S, R 30E, Eddy County, New Mexico to a disposal well. We plan to inject 300 BWPD at a maximum pressure of 900 psi into the Premier Sand from 2992' to 3341'. If you have objections or requests you should file them with the Oil Conservation Division, at P.O. Box 2088, Santa Fe, New Mexico 87506-2088 within 15 days of this letter. This information has been published in the Artesia Daily Press on Sunday, June 4, 1995.

If there are any question you can reach Jeff Smith in our Midland, Texas office at (915) 686-8600. Please do not hesitate to give him a call. Thank you for you attention to this matter.

Sincerely,

LBO NEW MEXICO, INC.

Razonia McClellan

wtrinj#3

Affidavit of Publication

No. 15122

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of

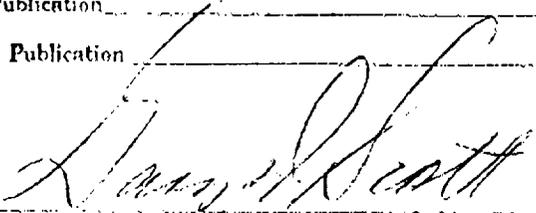
the state of New Mexico for 1 days consecutive weeks on the same day as follows:

First Publication June 4, 1995

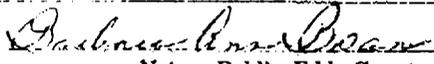
Second Publication _____

Third Publication _____

Fourth Publication _____



Subscribed and sworn to before me this 12th day of June 19 95



Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1996

Copy of Publication

LEGAL NOTICE

LBO New Mexico, Inc. at 505 N. Big Spring, Suite 105, Midland, Texas 79701 Attn: Jeff Smith is seeking approval to convert the Grayburg Jackson Tract "14" Well No. 1 located 660' FNL & 660' FWL of Section 36, T 17S, R 30E, Eddy County, New Mexico to a disposal well. LBO New Mexico, Inc. plans to inject 300 BWPD at a Maximum pressure of 900 psi into the Premier Sands from 2992' to 3341'. Interested parties should file objections or requests for a hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87506-2088 within 15 days. Published in the Artesia Daily Press, Artesia, N.M. June 4, 1995.

Legal 15122

JUN 14 1995