

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: Wesley's Proving Co. Well: LAVENOR'S FACILITY No. 1

Contact: Van Rodgers Title: Landman Phone: 915-683-8735

DATE IN 10-23-97 RELEASE DATE 11-6-97 DATE OUT 11-20-97

Proposed Injection Application is for: WATERFLOOD Expansion Initial

Original Order: R- Secondary Recovery Pressure Maintenance

SENSITIVE AREAS

SALT WATER DISPOSAL Commercial Well

WIRP Capitan Reef

Data is complete for proposed well(s)? Yes Additional Data Req'd _____

AREA of REVIEW WELLS

20 Total # of AOR

0 # of Plugged Wells

4/6/97 Tabulation Complete

Schematics of P & A's

4/6/97 Cement Tops Adequate

AOR Repair Required

INJECTION FORMATION

Injection Formation(s) Devonian Compatible Analysis Yes

Source of Water or Injectate AREA PRODUCTION

PROOF of NOTICE

Copy of Legal Notice

Information Printed Correctly

Correct Operators

Copies of Certified Mail Receipts

N/A Objection Received

Set to Hearing _____ Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL? Yes

COMMUNICATION WITH CONTACT PERSON:

1st Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____

2nd Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____

3rd Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____

SWD 683 11/6/97

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. Operator: Nearburg Producing Company

Address: P. O. Box 823085, Dallas, Texas 75382-3085

Contact party: Scott Kimbrough Phone: 915/686-8235

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. **OCT 23 1997**

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: Van N. Rodgers Title Production Landman

Signature: *Van N. Rodgers* Date: October 7, 1997

* 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 well; 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.

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915-686-8235
Fax 915-686-7806

October 21, 1997

Mr. Ben Stone
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Re: Application for Authorization to Inject
Lakewood Farms "18" #1
Eddy County, New Mexico

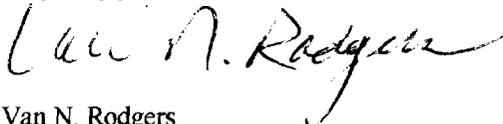
Dear Mr. Stone:

Nearburg Producing Company hereby requests administrative approval for authorization to inject produced water into the captioned wellbore. Included herewith please find the following:

1. Division Form C-108 complete with all attachments
2. Copy of letter to surface owner (Mr. Joe Cox) whereby he was furnished copy of application by Certified Mail
3. Copy of letter to leasehold operators within one-half mile of well whereby they were furnished a copy of the application by Certified Mail
4. Affidavit of Publication from the Carlsbad Current-Argus.

Thank you for your cooperation in this matter. If you have any questions please feel free to contact the undersigned.

Very truly yours,



Van N. Rodgers
Production Landman

ATTACHED TO FORM C - 108
NEARBURG PRODUCING COMPANY
APPLICATION FOR AUTHORIZATION TO INJECT

ANSWERS TO QUESTIONS:

III. Well Data

A.

1. Lease Name: Lakewood Farms
Well Number: 1
Section: 18
Township: 19 South
Range: 26 East
Footage: 660' FNL & 660' FWL

2. See attached diagram

3. See attached diagram

4. See attached diagram

B.

1. Injection formation is the Devonian
2. The injection interval will be from 10,200' to 10,700' and will be perforated.
3. The well was not drilled for injection, its original purpose was to test the Morrow formation.
4. The existing wellbore was never perforated and production casing was not run.
5. The next higher oil and gas zone above the Devonian is the Morrow gas formation and there is no lower zone below the Devonian that is potentially oil and gas bearing;

IV. This is not an expansion of an existing project.

V. See attached map.

VI. Not applicable to the area of review.

VII.

1. Proposed average and maximum daily rate of injection is 15,000 bbls. and 30,000 bbls. respectively.
2. The system will be open.
3. Proposed average and maximum injection pressure is 1,000 psi and 2,000 psi respectively.

4. Not applicable, all fluid will be reinjected produced water.
5. The wells indicated by triangles on the attached map are existing, approved, operating salt water disposal wells that dispose of produced water from the Dagger Draw North Upper Pennsylvania Pool. This application is requesting authority to dispose of produced water from the Dagger Draw North Upper Pennsylvania Pool into the Devonian formation as is the case of these two wells marked by triangles. These waters are compatible as evidenced by the successful disposal of Dagger Draw North Upper Pennsylvania Pool waters that is being disposed of in the two existing disposal wells.

VIII. Lithologic Detail:	Dolomite
Geologic Name:	Devonian
Thickness:	Unknown until well deepened, but expect 300' to 500'
Depth:	Top of the Devonian, expected to be 10,200' subsurface
Overlying underground sources of drinking water:	Between the surface and 500' subsurface.
Underlying underground sources of drinking water:	None known

- IX. Proposed stimulation program will be to acidize the Devonian.
- X. Only data available are well logs which are on file at the NMOCD.
- XI. Not applicable, Nearburg has no knowledge of any fresh water wells within 1 mile of the subject well.
- XII. Nearburg Producing Company has examined available geologic and engineering data and has found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. See evidence of "Proof of Notice" attached.

Map of land parcels with owner names and acreage. Major sections include 'PENASCO', 'Lakewood Farms "18" #1', and 'SEVEN RIVERS'. Owners listed include Yates Pet, Amoco, and various individuals like John Johnston and David Fasken.

PENASCO

Lakewood Farms "18" #1

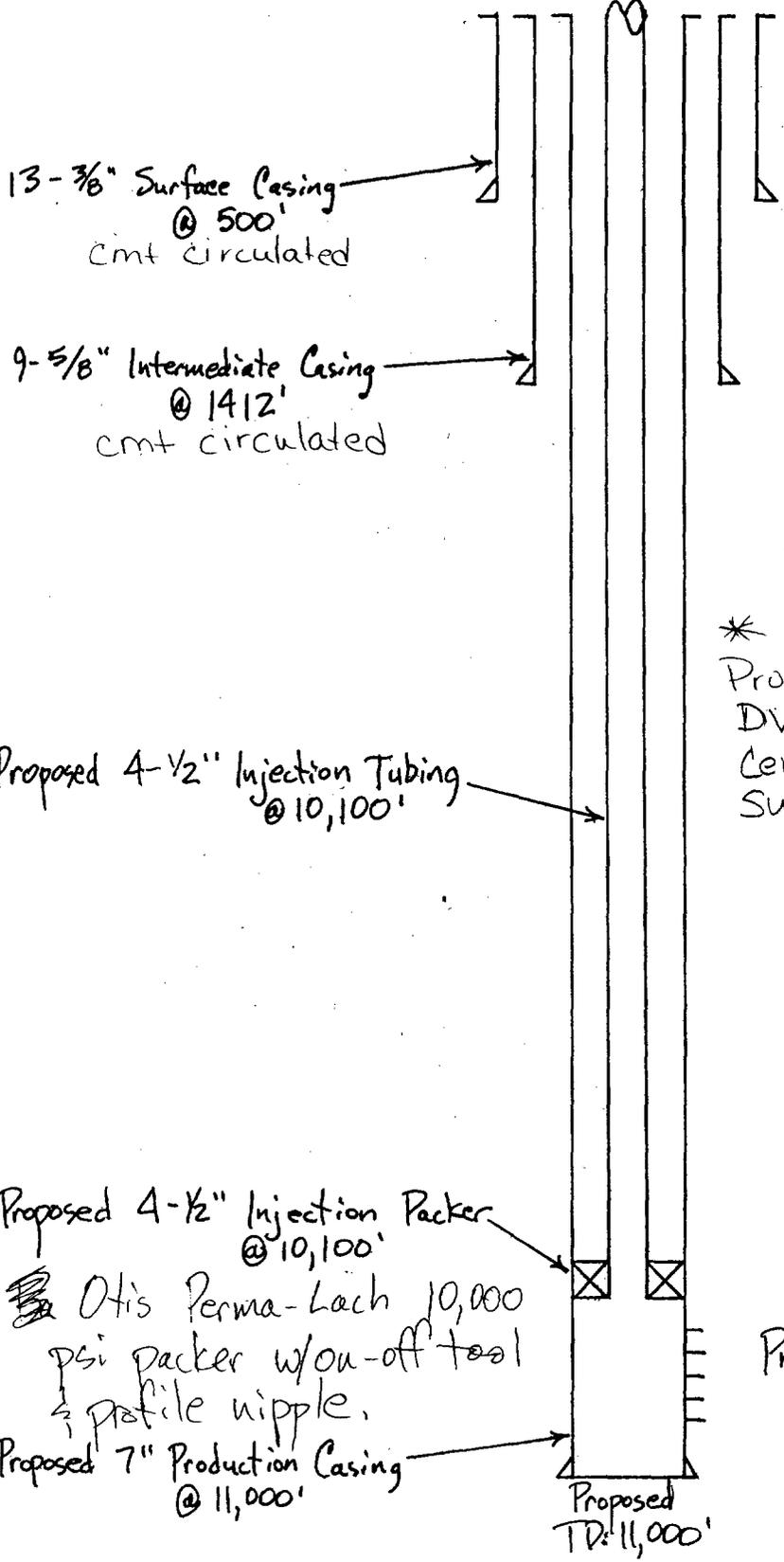
SEVEN RIVERS

Detailed grid of land parcels with owner names and acreage. Major sections include 'PENASCO', 'Lakewood Farms "18" #1', and 'SEVEN RIVERS'. Owners listed include Yates Pet, Amoco, and various individuals like John Johnston and David Fasken.

Wellbore Diagram

Proposed Deepening & Conversion To Devonian Injector

Lakewood Farms #1
Section 18, T19S, R26E,
660' FNL & 660' FWL,
Eddy County, New Mexico



*
Proposed
DV Tool @ 8,500'
Cement circ. to
Surface

Proposed Injection Interval:
10,200' - 10,700' (Devonian)

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax: 915/686-7806

October 7, 1997

Mr. Joe Cox
3112 Dona Ana
Carlsbad, New Mexico 88220

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Application For Authorization To Inject
Lakewood Farms "18" #1
660' FNL & 660' FWL, Section 18,
T19S, R26E, Eddy County, New Mexico

Dear Mr. Cox:

This letter is to advise you that Nearburg Producing Company is filing the enclosed application with the New Mexico Oil Conservation Division seeking administrative approval for authority to dispose of produced water into the Devonian formation in the existing wellbore captioned above.

Surface owners or offset operators must file any objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days from the date of this mailing.

If Nearburg Producing Company can be of any assistance, please direct all inquiries to Scott Kimbrough at the letterhead address and phone number.

Very truly yours,



Van N. Rodgers
Production Landman

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:



Mr. Joe Cox
3112 Dona Ana
Carlsbad, NM 88220

4a. Article Number

P 497 369 535

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

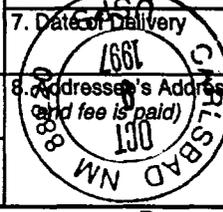
7. Date of Delivery

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Joe Cox*



Thank you for using Return Receipt Service.

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

October 13, 1997

LEASEHOLD OWNERS

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Application For Authorization To Inject
Lakewood Farms "18" #1
660' FNL & 660' FWL, Section 18,
T19S, R26E, Eddy County, New Mexico

Dear Leasehold Owner:

This letter is to advise you that Nearburg Producing Company is filing the enclosed application with the New Mexico Oil Conservation Division seeking administrative approval for authority to dispose of produced water into the Devonian formation in the existing wellbore captioned above.

Surface owners or offset operators must file any objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days from the date of this mailing.

If Nearburg Producing Company can be of any assistance, please direct all inquiries to Scott Kimbrough at the letterhead address and phone number.

Very truly yours,



Van N. Rodgers
Production Landman

Lakewood Farms "18" #1
Leasehold Owners within
one-half mile

M. Craig Clark
500 West Texas, Suite 1175
Midland, Texas 79701

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, New Mexico 88210

Mobil Producing Texas & New Mexico, Inc.
P. O. Box 633
Midland, Texas 79702

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Mobil Producing TX & NM, Inc.
P. O. Box 633
Midland, TX 79702

4a. Article Number
P 497 369 538

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
OCT 15 1997

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X Gray Hammond

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

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
M. Craig Clark
500 W. Texas, Suite 1175
Midland, TX 79701

4a. Article Number
P 497 369 536

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X [Signature]

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

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

SENDER:

- Complete items 1 and/or 2 for additional services.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

4a. Article Number
P 497 369 537

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
10-16-97

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X [Signature]

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

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Thank you for using Return Receipt Service.

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the reverse side?

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is your RETURN ADDRESS completed on the reverse side?

Affidavit of Publication

No 18852

State of New Mexico,
County of Eddy, ss.

Amy McKay

being first duly sworn, on oath says:

That she is Business Manager
of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>October 2</u>	<u>19 97</u>
_____	, 19 _____
_____	, 19 _____
_____	, 19 _____
_____	, 19 _____
_____	, 19 _____

That the cost of publication is \$ 26.31,
and that payment thereof has been made and will be assessed as court costs.

Amy McKay

Subscribed and sworn to before me this

3rd day of October, 1997

Donna Crump

My commission expires 8/1/98

Notary Public

October 2, 1997

NOTICE OF APPLICATION FOR AUTHORIZATION TO INJECT

Nearburg Producing Company, P.O. Box 823085, Dallas, Texas, 75382-3085 is applying for and seeking administrative approval for authorization to inject produced water into the Lakewood Farms "18" #1 well. Said well is located 660' from the North line and 660' from the West line of Section 18, T19S, R26E, NMPM, Eddy County, New Mexico. This injection operation will be for the purpose of disposing waste water into the Devonian formation at the subsurface interval from 10,200' to 10,700'. The expected maximum injection rate will be 30,000 barrels per day with an expected maximum pressure of 2,000 psi.

All inquiries should be directed to Scott Kimbrough, Nearburg Producing Company, 3300 North A Street, Building 2, Suite 120, Midland, Texas, 79705, phone 915-686-8235.

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.

Affidavit of Publication

No 18852

State of New Mexico,
County of Eddy, ss.

Amy McKay

being first duly sworn, on oath says:

That she is Business Manager
of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

October 2, 1997
_____, 19____
_____, 19____
_____, 19____
_____, 19____
_____, 19____

That the cost of publication is \$ 26.31,
and that payment thereof has been made and will be assessed as court costs.

Amy McKay

Subscribed and sworn to before me this

3rd day of October, 1997

Donna Crump

My commission expires 8/1/98
Notary Public

October 2, 1997

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