

SWD

8/13/78



P.O. BOX 8206
WICHITA FALLS,
TEXAS 76307-8206
TELEPHONE (940) 716-5100
PRODUCTION FAX (940) 716-5110
WELL LOG FAX (940) 716-5180
LAND FAX (940) 716-5210
ACCOUNTING FAX (940) 716-5150
EXPLORATION FAX (940) 716-5170

June 25, 1998

The State of New Mexico
Oil Conservation Division
2040 Pacheco Street
Santa Fe, New Mexico 87505



Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico

Gentlemen:

On June 25, 1998, Cobra Oil & Gas Corporation mailed to Mr. B. Seltzer, Overland Resources Management, Yates Petroleum Corp., ABO Petroleum Corp., Mayco Industries, Inc., Yates Drilling Co., Forcenergy, Inc. and Saga Petroleum Corp., offset leasehold operators and Mr. Bobby Lewis, surface owner, copies of the Application For Authorization to Inject for the above captioned proposed disposal well. Cobra Oil & Gas Corporation has under lease the East Half of Section 4, and all of Section 31, T10S-R36E. No other acreage falls within the one-half mile radius of the area of review for the proposed disposal well.

Should you require additional information, please advise.

Sincerely Yours,

Rory Edwards
Production Supervisor

RRE:jt
Enclosures
LTR452

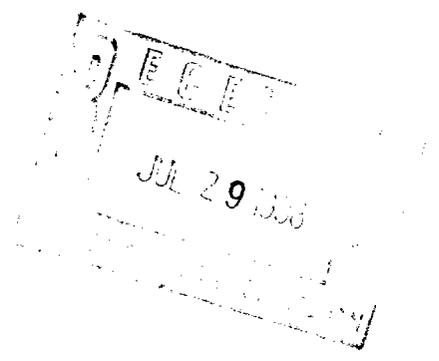


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June 25, 1998

The State of New Mexico
Oil Conservation Division
PO Box 2088
Santa Fe, New Mexico 87501

Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico



Gentlemen:

Enclosed is Cobra Oil & Gas Corporation's Application For Authorization to Inject for the above captioned well. The State 3 #1 SWD well was drilled as a Devonian test and partially plugged and temporarily abandoned by Cobra in January 1997. Both the surface and intermediate casing strings remain intact. Upon approval, Cobra intends to drill out the one cement plug in the 8 $\frac{5}{8}$ " intermediate casing and one cement plug in the open hole. This well will be utilized for the purpose of disposing of produced Devonian water from Cobra's Lewis Unit #1 well. Due to the high costs of trucking produced water to a disposal facility, this disposal well is critical to prolonging the producing life of the Lewis Unit #1 by significantly reducing the operating costs associated with trucking the produced water.

Thank you for your consideration of this application. Should you require additional information, please advise.

Sincerely Yours,

A handwritten signature in cursive script that reads "Rory Edwards".

Rory Edwards
Production Supervisor

RRE:jt
Enclosures
LTR453

Application for Authorization to Inject

Cobra Oil & Gas Corporation
State 3 #1 SWD
2310' FNL & 1650' FWL
Unit F, Section 3, T10S-R36E
Lea County, New Mexico

- VI. Attached is a tabulation of all wells of public record that fall within the $\frac{1}{2}$ mile radius of the proposal salt water disposal well, the State 3 #1 SWD. There is one producing well within the radius of investigation. The wells each have a good cement seal around their casing shoe to prevent any upward migration of the disposal water into any potable water zone. The State 3 #1 well was drilled as a Devonian test and partially plugged and temporarily abandoned in January 1997.
- VII. The proposed average daily injection rate for the subject well is 500 BWPD with a maximum daily rate of 5000 BWPD. This will be a closed system with an average pressure of 500 - 1000 psi and a maximum pressure of 2111 psi. Produced Devonian water will be injected in the proposed well. Attached is a letter from Martin Water Laboratories, Inc. indicating there is no incompatibility concerns in injection of Devonian water into the San Andres interval.
- VIII. The disposal zone consists of the San Andres Formation, a 1,423' thick dolomite section, the Glorietta, a 1,399' foot thick dolomite section, the Tubb a 131' thick shaly dolomitic sandstone and the Clearfork, a 636' thick shaly dolomite. A cement plug from 5,530'-5,630' will be drilled out and the open hole interval from 4,248'-7,690' will be utilized as the disposal interval. The main source of drinking water in this area is the Cretaceous Formation, the base of which is approximately 180'. There are no known sources of drinking water underlying the injection interval.
- IX. The well will be stimulated with 1000 - 2000 gallons of 20% NEFE HCL if required after a pump-in test.

- X. Log is on file with the Division.
- XI. Attached is an analysis of the water from the two nearest water wells.
- XII. Cobra Oil & Gas Corporation has examined the available geologic and engineering data and can find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. The required "Proof of Notice" is attached.

8661 67

JUL 29 1993

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Cobra Oil & Gas Corporation
ADDRESS: P.O. Box 8206 Wichita Falls, Texas 76307-8206
CONTACT PARTY: Rory Edwards PHONE: 940 716-510
- 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 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/1 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: Rory Edwards TITLE: Production Supervisor

SIGNATURE: Rory Edwards DATE: 6/25/93

- * 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.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

RECEIVED

MAR - 2 1998



Cobra
WICHITA FALLS, TX

Joyce Clemens being first duly sworn on oath deposes and says that he is Adv. Director of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

LEGAL NOTICE
NOTICE OF
PRODUCED
WATER DISPOSAL
WELL

Cobra Oil & Gas Corporation, 2201 Kell Blvd., Wichita Falls, Texas 76308-1000, (940) 716-5100, contact Rory Edwards, is making application for a produced water disposal well with the New Mexico Oil Conservation Division. The well, known as the State 3 #1 SWD, is located 2,310' FNL & 1,650' FWL, Section 3, T10S-R36E, Lea County, New Mexico. Disposal will be into the San Andres formation, open hole, from 4,248' to 7,690'. Maximum rate is anticipated to be 3,000 BWPD with a maximum pressure of 2,124 psig. Interested parties must file objections or request for hearing with the New Mexico Oil Conservation Division, 2040 Pacheco Street, Santa Fe, New Mexico 87505, within fifteen (15) days of this notice. Published in the Lovington Daily Leader February 25, 1998.

That the notice which is hereto attached, entitled
Legal Notice

Notice of Produced Water Disposal

XXXXXXXXXXXX and numbered XXXX

XXXXXXXXXXXX

XXXXXXXXXXXX County, New Mexico, was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, XXXX

XXXXXXXXXXXX same day of the week, for one (1) day

XXXXXXXXXXXX consecutive weeks, beginning with the issue of

February 25, 1998

and ending with the issue of

February 25, 1998

And that the cost of publishing said notice is the sum of \$ 16.56

which sum has been (Paid) (Assessed) as Court Costs

Joyce Clemens

Subscribed and sworn to before me this 25th

day of February, 1998

Jean Series
Notary Public, Lea County, New Mexico

My Commission Expires September 28, 1998

LEASEHOLD

Township 9-S, Range 36-E, NMPM, Lea County, New Mexico

TATUM BASIN

Section 33, E/2SE/4, 80.0 ga

B. Seltzer
214 W. Texas
Midland, TX 79701

Overland Resources Management
7101 College Blvd. Ste 330
Overland Park, KS 66210

Section 34, SW/4, 160.0 ga

Yates Petroleum Corp., ABO Petroleum Corp.
Myco Industries, Inc., Yates Drilling Co.
Yates Bldg, 105 S. 4th
Artesia, NM 88210

E/2, 320.0 ga

Forcenergy Inc.
2730 SW 3rd Ave. Ste. 600
Miami, FL 33129

Saga Petroleum Corp.
Saga Petroleum, LLC of Colorado
415 Wall St. Ste. 835
Midland, TX 79701

P. O. BOX 1468
MONAHANS, TEXAS 79756
(915) 943-3234 or 563-1040

Martin Water Laboratories, Inc.

WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

709 W. INDIANA
MIDLAND, TEXAS 79701
(915) 683-4521

March 2, 1998

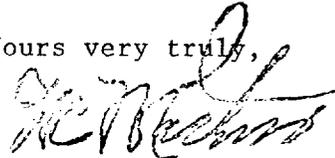
Mr. Rory Edwards
Cobra Oil & Gas Corp.
P.O. Box 8205
Wichita Falls, TX 76307-8206

Dear Mr. Edwards:

The objective herein is to provide a compatibility evaluation between Devonian and San Andres in the area of Section 3, T-10S and R-36E in Lea county New Mexico. We are evaluating the compatibility based on our nearest records of Devonian in the Crossroads field and San Andres in the Buckshot field.

In comparing the above described cataloged records of waters from these two zones, we find no evidence of any incompatibility; therefore, the evidence is indicating it would clearly be satisfactory to inject Devonian into the San Andres interval as far as compatibility is concerned. This is to say that any mixture of these waters would not be expected to result in any precipitation or scaling potential.

Yours very truly,



Waylan C. Martin

WCM/mo

P. O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

TO: Mr. Rory Edwards LABORATORY NO. 39822
P.O. Box 8206, Wichita Falls, TX 76307 SAMPLE RECEIVED 3-4-98
RESULTS REPORTED 3-5-98

COMPANY Cobra Oil & Gas Corp. LEASE Lewis Unit #1

FIELD OR POOL _____

SECTION _____ BLOCK _____ SURVEY _____ COUNTY Lea STATE NM

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Raw water - taken @ windmill (northwest of lease). 3-2-98

NO. 2 Raw water - taken from water well (north of lease). 3-2-98

NO. 3 _____

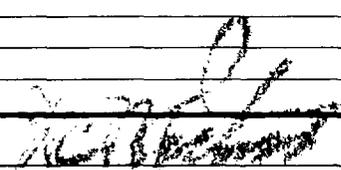
NO. 4 _____

REMARKS: _____

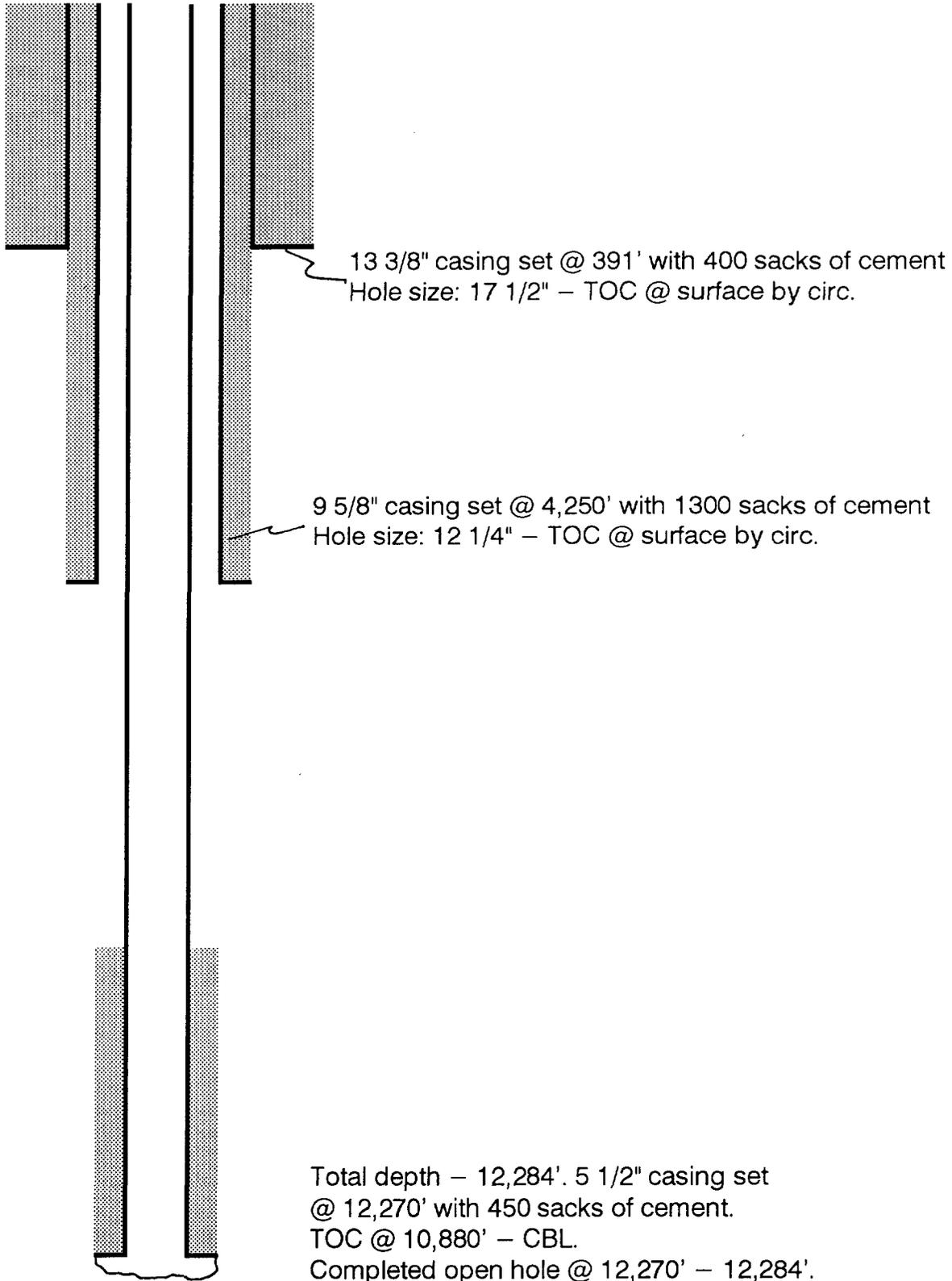
| CHEMICAL AND PHYSICAL PROPERTIES | | | | |
|--------------------------------------|--------|--------|-------|-------|
| | NO. 1 | NO. 2 | NO. 3 | NO. 4 |
| Specific Gravity at 60° F. | 1.0014 | 1.0013 | | |
| pH When Sampled | | | | |
| pH When Received | 7.00 | 7.17 | | |
| Bicarbonate as HCO ₃ | 220 | 181 | | |
| Supersaturation as CaCO ₃ | | | | |
| Undersaturation as CaCO ₃ | | | | |
| Total Hardness as CaCO ₃ | 300 | 330 | | |
| Calcium as Ca | 90 | 101 | | |
| Magnesium as Mg | 18 | 19 | | |
| Sodium and/or Potassium | 62 | 53 | | |
| Sulfate as SO ₄ | 153 | 174 | | |
| Chloride as Cl | 68 | 82 | | |
| Iron as Fe | 3.0 | 2.2 | | |
| Barium as Ba | | | | |
| Turbidity, Electric | | | | |
| Color as Pt | | | | |
| Total Solids, Calculated | 611 | 609 | | |
| Temperature °F. | | | | |
| Carbon Dioxide, Calculated | | | | |
| Dissolved Oxygen, | | | | |
| Hydrogen Sulfide | 0.0 | 0.0 | | |
| Resistivity, ohms/m at 77° F. | 12.80 | 12.42 | | |
| Suspended Oil | | | | |
| Filtrable Solids as mg/l | | | | |
| Volume Filtered, ml | | | | |
| Nitrate, as N | 0.6 | 0.9 | | |

Results Reported As Milligrams Per Liter

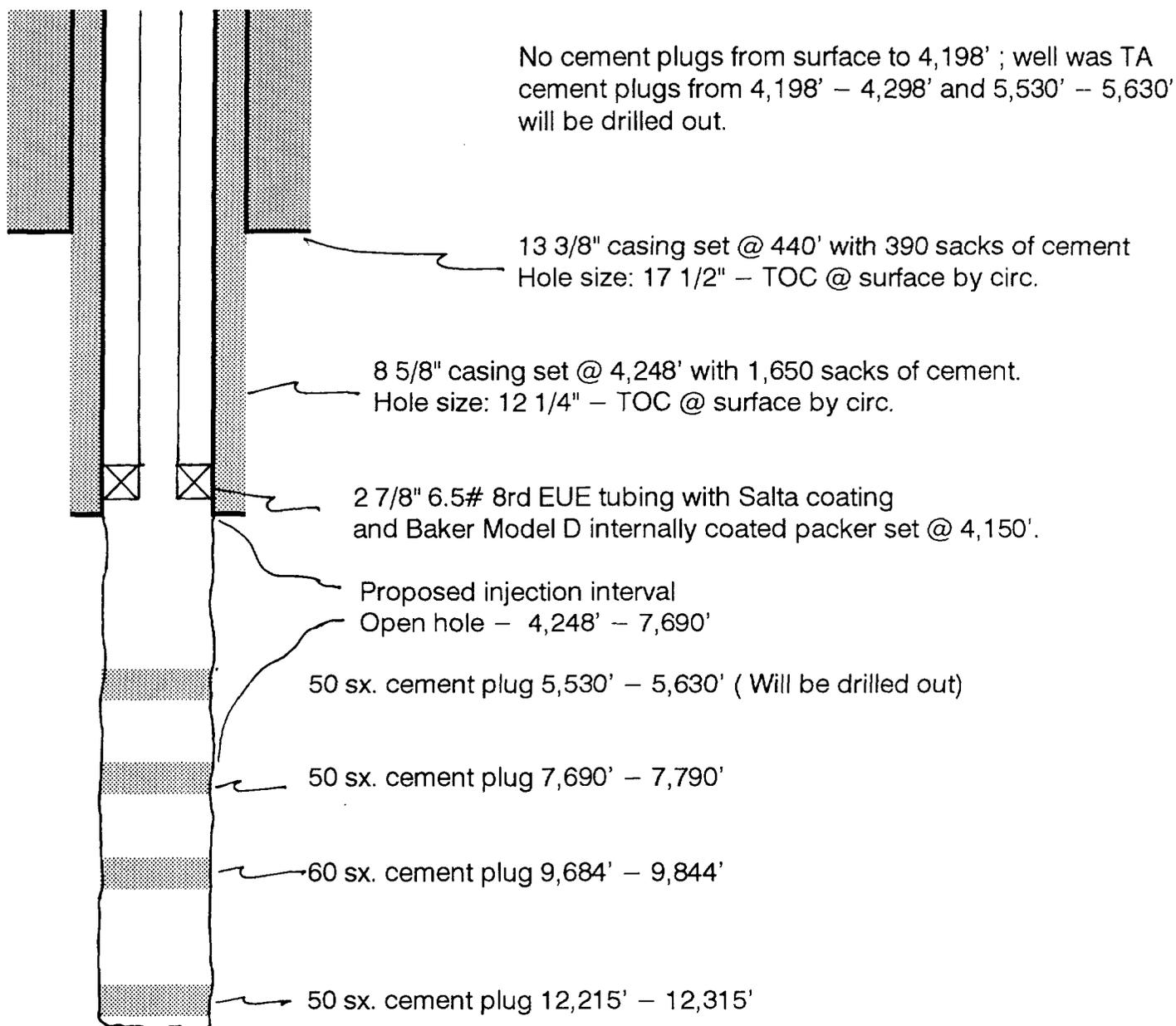
Additional Determinations And Remarks The undersigned certifies the above to be true and correct to the best of his knowledge and belief.

By 
Waylan C. Martin, M.A.

COBRA OIL & GAS CORPORATION
LEWIS UNIT #1
UNIT M, 675' FSL & 114' FWL
SECTION 2, T10S-R36E
LEA COUNTY, NEW MEXICO



COBRA OIL & GAS CORPORATION
STATE 3 #1 SWD
UNIT F 2,310' FNL & 1,650' FWL
SECTION 3, T10S-R36E
LEA COUNTY, NEW MEXICO



Total depth - 12,234'. Well plugged and abandoned 1/1997.
Hole size: 7 7/8", no production casing was run.

WELL ORIGINALLY DRILLED BY COBRA OIL & GAS CORPORATION AS THE STATE 3 #1 IN 1/1997. REENTRY TO CONVERT WELL TO SALT WATER DISPOSAL.

INJECTION WELL DATA SHEET

Tubing size – 2 7/8" 6.5# 8rd EUE lined with Salta lining set in a Baker Model D packer at 4,150'.
Other type of tubing/casing seal if applicable _____

Other Data:

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

 If no, for what purpose was the well originally drilled? Oil Production – Dry Hole

2. Name of injection formation San Andres .

3. Name of Field or Pool (if applicable) South Crossroads – Devonian

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.

None

5. Give the names and depths of any over or underlying oil or gas zones (pools) in this area.

Devonian +/- 12,300'

COBRA OIL & GAS CORPORATION
OFFSET WELLS TO THE STATE 3 #1 SWD
WITHIN A ONE – HALF MILE RADIUS

| WELL | LOCATION | SURFACE CASING | INTER. CASING | PROD. CASING | TD | STATUS |
|-----------------------|-------------------------|------------------------|------------------------|--------------------|---------|---------------------------------------|
| Cobra Oil & Gas Corp. | Section 3, T10S – R36E | 13 3/8" @ 391' | 9 5/8" @ 4,250' | 5 1/2" @ 12,270' | 12,284' | Producing open hole 12,270' – 12,284' |
| Lewis Unit #1 | Unit M | Cement w/400 sacks | Cement w/1,300 sacks | Cement w/450 sacks | | Schematic Attached |
| Spud 5/3/96 | 675' FSL & 114' FWL | TOC @ surface by circ. | TOC @ surface by circ. | | | |
| Cobra Oil & Gas Corp. | Section 3, T10S – R36E | 13 3/8" @ 440' | 8 5/8" @ 4,248' | None set | 12,234' | Temporarily Abandoned |
| State 3 #1 | Unit F | Cement w/390 sacks | Cement w/1,650 sacks | | | Plugs set from TD to Inter. casing |
| Spud 12/14/96 | 2,310' FNL & 1,650' FWL | TOC @ surface by circ. | TOC @ surface by circ. | | | Schematic Attached |



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June 25, 1998

Saga Petroleum Corp.
Saga Petroleum, LLC of Colorado
415 Wall Street, Suite 835
Midland, Texas 79701

AUG 18 1998

Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico

Gentlemen:

Cobra Oil & Gas Corporation is making application to the New Mexico Oil Conservation Division to utilize the State 3 #1 SWD for disposal of produced Devonian water from Cobra's Lewis Unit #1 well. In accordance with regulation 701.B(2), as a leasehold operator within a one-half mile radius of the proposal disposal well, a copy of the disposal application is being furnished to you.

If you should have any objections to this application, you must file the objection or request for a hearing with the Oil Conservation Division, 2040 Pacheco Street, Santa Fe, New Mexico 87505, within fifteen (15) days from the date this application was mailed to you.

Sincerely Yours,

A handwritten signature in black ink that reads "Rory Edwards". The signature is written in a cursive style with a large, looped initial "R".

Rory Edwards
Production Supervisor

RRE:jt
Enclosures
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June 25, 1998

Forcenergy, Inc.
2730 SW 3rd Avenue, Suite 600
Miami, Florida 33129

Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico

Gentlemen:

Cobra Oil & Gas Corporation is making application to the New Mexico Oil Conservation Division to utilize the State 3 #1 SWD for disposal of produced Devonian water from Cobra's Lewis Unit #1 well. In accordance with regulation 701.B(2), as a leasehold operator within a one-half mile radius of the proposal disposal well, a copy of the disposal application is being furnished to you.

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Yates Petroleum Corp., ABO Petroleum Corp.
Myco Industries, Inc., Yates Drilling Co.
Yates Building 105 South 4th
Artesia, New Mexico 88210

Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico

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June 25, 1998

Overland Resources Management
7101 College Boulevard, Suite 330
Overland Park, Kansas 66210

Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico

Gentlemen:

Cobra Oil & Gas Corporation is making application to the New Mexico Oil Conservation Division to utilize the State 3 #1 SWD for disposal of produced Devonian water from Cobra's Lewis Unit #1 well. In accordance with regulation 701.B(2), as a leasehold operator within a one-half mile radius of the proposal disposal well, a copy of the disposal application is being furnished to you.

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B. Seltzer
214 West Texas
Midland, Texas 79701

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Section 3, T10S-R36E
Lea County, New Mexico

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June 25, 1998

Robert D. Lewis
HC65, Box 30
Cross Roads, New Mexico 88114

Re: State 3 #1 SWD
Section 3, T10S-R36E
Lea County, New Mexico

Gentlemen:

Cobra Oil & Gas Corporation is making application to the New Mexico Oil Conservation Division to utilize the State 3 #1 SWD for disposal of produced Devonian water from Cobra's Lewis Unit #1 well. In accordance with regulation 701.B(2), as a leasehold operator within a one-half mile radius of the proposal disposal well, a copy of the disposal application is being furnished to you.

If you should have any objections to this application, you must file the objection or request for a hearing with the Oil Conservation Division, 2040 Pacheco Street, Santa Fe, New Mexico 87505, within fifteen (15) days from the date this application was mailed to you.

Sincerely Yours,

A handwritten signature in black ink that reads "Rory Edwards". The signature is written in a cursive style with a large, looped initial "R".

Rory Edwards
Production Supervisor

RRE:jt
Enclosures
LTR454

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: CORRA O+G CORP Well: STATE '3' No. 1 SWD
Contact: RORY EDWARDS Title: PROD. SUPER Phone: 940-716-5100
DATE IN 7-29-98 RELEASE DATE 8-13-98 DATE OUT 10-9-98

Proposed Injection Application is for: WATERFLOOD Expansion Initial
Original Order: R- Secondary Recovery Pressure Maintenance
 SENSITIVE AREAS SALT WATER DISPOSAL Commercial Well
 WIPR Capitan Reef

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

AREA of REVIEW WELLS

2 Total # of AOR # of Plugged Wells
YES Tabulation Complete Schematics of P & A's
YES Cement Tops Adequate AOR Repair Required

INJECTION FORMATION

Injection Formation(s) SAN ANTONIO 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
 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 _____