

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners**
- [B] ☐ Offset Operators, Leaseholders or Surface Owner**
- [C] ☐ Application is One Which Requires Published Legal Notice**
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO**
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F] ☐ Waivers are Attached**

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

_____ Print or Type Name	_____ Signature	_____ Title	_____ Date
_____ e-mail Address			

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal _____ Storage _____
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: Dinero Operating Company

ADDRESS: P.O. Box 10505 Midland, Texas 79702

CONTACT PARTY: Charlie Williams

PHONE: 432-556-6809

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 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: **SEE ATTACHED**

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 geologic data on the injection zone including appropriate lithologic detail, geologic 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. 1500 gals. of 15% HCL to clean perforations.

*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 sources 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: Charlie Williams

TITLE: Production Superintendent

SIGNATURE: *Charlie Williams*

DATE: 8/17/04

E-MAIL ADDRESS: _____

* 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 circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.
CHERRY CANYON
- (2) The injection interval and whether it is perforated or open-hole.
2696-4300 Perforated
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
Drilled to establish oil production
- (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.
NONE
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.
Lamar Lower

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.
Surface Owner: NM State Land Office Only Offset: Dinero Operating Co.
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, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, 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: Dinero Operating Company

WELL NAME & NUMBER: Dinero State Com #3

WELL LOCATION: 660' FSL & 1950' FEL
FOOTAGE LOCATION

UNIT LETTER

SECTION

TOWNSHIP

RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATA
Surface Casing

Hole Size: 10 3/4" Casing Size: 8 5/8"
Cemented with: 35 sx. or 450' ft³
Top of Cement: Surface Method Determined: Circ. to Surf.

Intermediate Casing

Hole Size: Casing Size:
Cemented with: sx. or ft³
Top of Cement: Method Determined:

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"
Cemented with: 350 sx. or ft³
Top of Cement: 350' Method Determined: Circulated
Total Depth: 4,300'

Injection Interval

2696 feet to 4300

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" Lining Material: Plastic Coated

Type of Packer: Model R

Packer Setting Depth: 2,615'

Other Type of Tubing/Casing Seal (if applicable):

Additional Data

1. Is this a new well drilled for injection? Yes X No
 If no, for what purpose was the well originally drilled? To produce oil from
the Delaware formation.
2. Name of the Injection Formation: Cherry Canyon Delaware
3. Name of Field or Pool (if applicable): Indian Draw; Delaware East
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 name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
overlying - Lamar Lime 2,540'
underlying - additional Cherry Canyon - well was not drilled through
the Cherry Canyon

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

RECEIVED

Submit to appropriate District Office
JAN 22 2004 State Lease - 6 Copies
Fee Lease - 5 Copies

OCD-ARTESIA ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Dinero Operating Company P.O. Box 10505, Midland, Texas 79702		OGUD Number
		APN Number 30-015-25838
Property Code	Property Name Dinero State Com	Well No. 3

Surface Location									
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
	16	22S	28E		660	South	1950	East	Eddy

Proposed Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County	
Unders. Indian Draw					Proposed Pool 1 Delaware, East					Proposed Pool 2

Well Type Code E	Well Type Code O	Cable/Logary R	Lease Type Code S	Ground Level Elevation 3023.8
Multiple No	Proposed Depth 4,300'	Formation Delaware	Contractor NA	Spud Date 2/10/04

Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
7 7/8"	5 1/2"	17#	4300'	350	350 Ft.

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Rig up workover rig and reverse unit. Pick up drill collars & bit 7 7/8". Drill out cement plugs down to 4,300 ft. Circulate hole. Pull out of hole. Run 5 1/2" csg. to TD-4,300'. Rig up cementers and pump enough cement to bring cement up into bottom of 8 5/8". Will drill plugs out with 10# brine.

Note - 8 5/8" csg. was set at 450 ft. Cement circ. to surface.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Charlie Williams</i>	Approved by: <i>[Signature]</i>	Title: <i>Production Superintendent</i>	
Printed name: Charlie Williams	Approval Date: MAR 20 2004		Expiration Date: MAR 20 2006
Date: 1/20/04	Phone: (432) 556-6809	Conditions of Approval: Attached <input type="checkbox"/>	

DINERO STATE # 3

SURFACE - 10³/₄ Hole 8⁵/₈ cgs

SURFACE
450 FT 8⁵/₈ →
CEMENT TO SURFACE
35 SX

Model R Packer @ 2615'

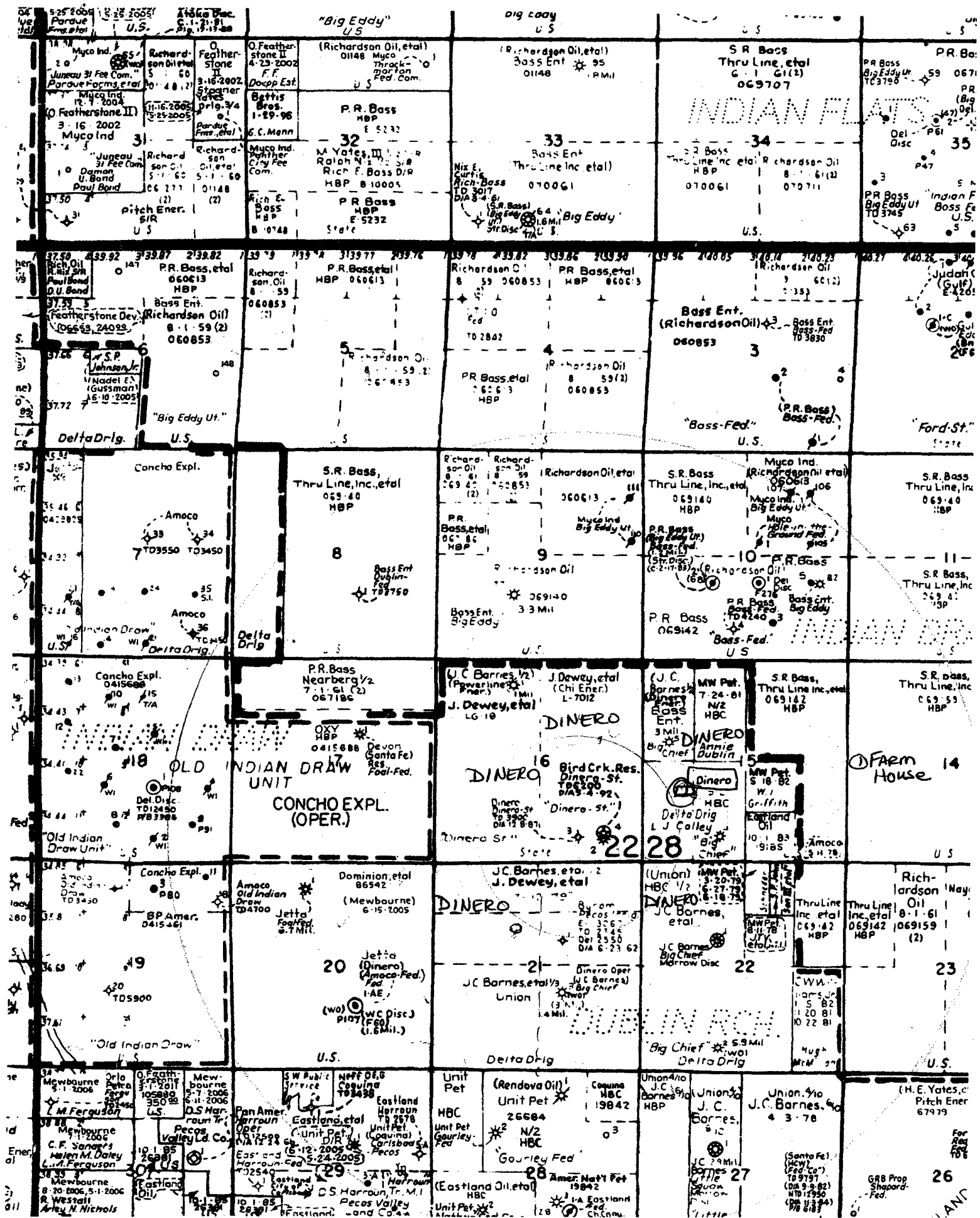
Production String 5¹/₂ 20" set at 4300 →

800 SX Cement. TOP Cement at 900 FT

From Surface

Hole Size 7⁷/₈ w/ 5¹/₂ cgs

← 5¹/₂ cgs set at
4300



District I
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-25838		² Pool Code 33725		³ Pool Name Delaware Indian Draw East	
⁴ Property Code		⁵ Property Name DINERO STATE COM			⁶ Well Number 3
⁷ OGRID No. 006224		⁸ Operator Name DINERO OPERATING COMPANY			⁹ Elevation 3023.8 GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	16	22S	28E		660	South	1650	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No. This is a re-entry.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>James C. Dewey Printed Name</p> <p>President-jdewey@dineroinc.com Title and E-mail Address</p> <p>1/28/04 Date</p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

660' FEL

1650' FEL

DINERO OPERATING COMPANY
Wells Located Within One Half Mile of Project Area
Dinero State Com Well No. 3
Sec. 16, T22S, R28E
Eddy County, NM

ATTACHMENT VI

Sec.	T/S	R	U	Loc	#	Operator	Pool Name	Lease Name	API#	Drilled	TD	Prod. Zone	Perfs	Status
16	22S	28E	P	660 FSL & 990 FEL	2	Dinero Operating Company	Dublin Ranch (Morrow) Gas	Dinero State Com	3001525093	2/28/1985	12517	Atoka	11093-1150	Producing
16	22S	28E	P	760 FSL & 990 FEL	4	Dinero Operating Company	Undesignated	Dinero State Com	3001526911	1/20/1992	6200	Delaware	3452-3455,	P/A-Dry 3/25/92

(Drilled by Bird Creek Resources, Inc.)

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

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

AMENDED

WELL API NO.
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-0018 & L-7012
7. Lease Name or Unit Agreement Name Dinero State Comm.
8. Well No. 2
9. Pool name or Wildcat Dublin Ranch (Morrow) Gas
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3077.2 G.L.

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator DINERO OPERATING COMPANY
3. Address of Operator P. O. Box 10505, Midland, Texas 79702	4. Well Location Unit Letter P : 660 Feet From The South Line and 990 Feet From The East Line Section 16 Township 23S Range 28E NMPM Eddy County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3077.2 G.L.	

11.

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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

On November 20, 1992, we propose to:

Set Cast Iron Bridge Plug at 11,600' with 35' cement on top, and perforate Upper Atoka with 2 holes/ft., 11,093' to 11,110', 11,170'-11,174', 11,179' (44 holes); acidize with 5,000 gallons. Swab test.

Perforate Lower Atoka with 2 holes/ft., 11,462'-11,464', 11,478'-11,484', 11,488'-11,492', 11,496'-11,500' (44 holes), acidize with 10,000 gallons. Swab test.

Put on production.

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

SIGNATURE Berry Porter TITLE Production Clerk DATE 11/11/92
TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	
OPERATOR	
PRODUCTION OFFICE	

OIL CONSERVATION DIV ON
RECEIVED BY P.O. BOX 2088
SANTA FE, NEW MEXICO 87501
SEP 26 1985
O. C. D. REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator
Dinero Operating Company
Address
P.O. Drawer 10505, Midland, Texas 79702
Reason(s) for filing (Check proper box)
 New Well ☒ **Change in Transporter of:**
 Recompletion ☐ **Oil** ☐ **Dry Gas** ☐
 Change in Ownership ☐ **Casinghead Gas** ☐ **Condensate** ☐
Other (Please explain)

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name <u>Dinero State Comm.</u>	Well No. <u>2</u>	Pool Name, Including Formation <u>Dublin Ranch (Morrow) Gas</u>	Kind of Lease <u>State, Federal or Fee</u>	State <u>State</u>	Lease # <u>LG-00</u>
Location <u>Unit Letter P : 660 Feet From The South Line and 990 Feet From The East</u>					
Line of Section <u>16</u> Township <u>22S</u> Range <u>28E</u> , NMPM, <u>Eddy</u> Coun					

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
<u>El Paso Natural Gas</u>	<u>P.O. Box 1492, El Paso, Texas 79978</u>
If well produces oil or liquids, give location of tanks.	Is gas actually connected? When
<u>Unit P Sec. 16 Twp. 22S Rge. 28E</u>	<u>Yes 8-22-85</u>

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Restv.	Diff. Re
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Date Spudded <u>2-28-85</u>	Date Compl. Ready to Prod. <u>8-22-85</u>	Total Depth <u>12,650</u>		P.B.T.D. <u>12,517</u>				
Elevations (DF, RKB, RT, GR, etc.) <u>3077.3' GL</u>	Name of Producing Formation <u>MORROW</u>	Top Oil/Gas Pay <u>12,308</u>		Tubing Depth <u>12,052.55</u>				
Perforations <u>12,308 - 12,436</u>				Depth Casing Shoe				

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
<u>17 1/4</u>	<u>13 3/8</u>	<u>2425.16</u>	<u>1650sx.Lite-300 C1C</u>
<u>12 1/4</u>	<u>9 5/8</u>	<u>9780.31</u>	<u>1730sx.</u>
Liner: <u>7 5/8</u> Top: <u>9378</u> Bottom: <u>11,473</u>	<u>555sx.</u>		
<u>5</u> Top: <u>11,473</u> Bottom: <u>12,649</u>	<u>175sx.</u>		

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of load oil and must be equal to or exceed top all cable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D <u>250</u>	Length of Test <u>24 hours</u>	Bbls. Condensate/MMCF <u>100</u>	Gravity of Condensate
Testing Method (piston, back pr.) <u>Back Press. Sales</u>	Tubing Pressure (shut-in) <u>650#</u>	Casing Pressure (shut-in) <u>0</u>	Choke Size <u>19/64</u>

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Mona Ralston
 (Signature)

Production Clerk
 (Title)

September 25, 1985
 (Date)

OIL CONSERVATION DIVISION

SEP 30 1985
 APPROVED _____, 19____

BY Original Signed By
Les A. Clements
 TITLE Supervisor-District II

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepen well, this form must be accompanied by a tabulation of the deviated tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for all wells on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

OPERATOR: DINERO OPERATING CO

LEASE: STATE CON

WELL NO.: 2

FIELD: DUBLIN RANCH

LOCATION: 660' FS + 990' FE

SEC. 16 T-22-S, R-28-E

COUNTY: EDDY

STATE: N. MEX

ELEVATION: _____ DF: 3102 GL: 3080

TD: 12649' PBTD: _____ COML. DT: _____

CURRENT COMPLETION INTERVAL: _____

LOGS: _____

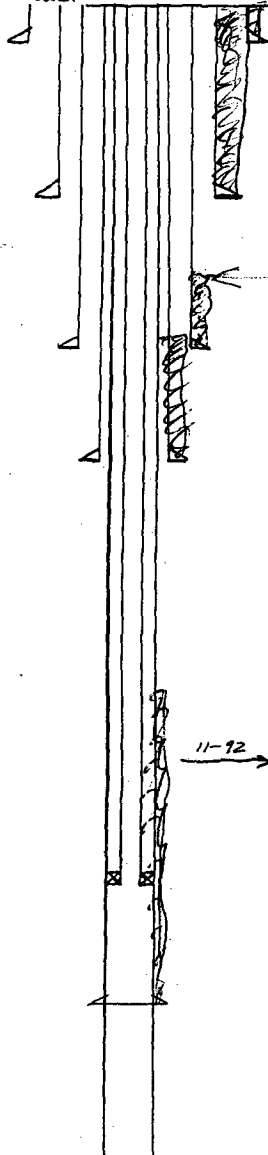
DST: _____

SAMPLE LOGS: _____

PVT: _____

CORE: _____

BHP: _____



24" Conductor @ 59' Cement to Surface

20" @ 349' Cement to Surface.

13 3/8" @ 2413' Cement to Surface

9 5/8" @ 9750' T/Cement 5980'

7 5/8" liner 9387'-11798' Circulated w/ Cement

Original Perfs: 12308-14, 12326-29, 12335-40,

12353-57, 12372, 12379-84, 12388-96,

12425-36 - formation wtr.

Set BP @ 12300'

Perf: 12094-106, 12104-7, 12109-12,

12140-44, 12154-58, 12192-94, 12196-98

SET C187 @ 11,600 w/ 35% cement

Perf'd Upper Atoka 11,013-1110, 11,120-74 + 11,179 (44 holes)

Perf'd Lower Atoka 11462-44, 476-84, 488-92, 496-50,

44 holes

2 3/8" Tbg @ 11,500'

5 1/2" Liner 11473'-12649' - Circulated w/ Cement

CURRENT STATUS: _____

DINERO STATE #2

REISSUES SEC 16 TWP 22S RGE 28E
PI# 30-T-0003 02/02/87 30-015-25093-0000 PAGE 3

DINERO OPERATING D DG
2 DINERO STATE

DRILLING PROGRESS DETAILS

COMP 8/22/85, IPCAOF 292 MCFGPD, GTY .580
GOR DRY, SIWHP 2281, SIBHP
2264

01/29 PROD ZONE - MORROW 12308-12436
NO CORES OR DSTS RPTD
REISSUED TO CORRECT API, SEC
REPLACEMENT FOR CT ISSUED 10/19/85

to Appropriate
District Office

Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OK + VI
DP

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

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

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

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

WELL API NO. 30-015-26911
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-7012
7. Lease Name or Unit Agreement Name Dinero State
8. Well No. 4
9. Pool name or Wildcat Undesignated

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

1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator Bird Creek Resources, Inc. /
3. Address of Operator 810 South Cincinnati, Suite 110 Tulsa, OK 74119	4. Well Location Unit Letter P : 760 Feet From The South Line and 990 Feet From The East Line Section 16 Township 22S Range 28E NMPM Eddy County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3078' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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

Propose to P&A as follows:

Gel Between all plug

1. MIRU Pride P&A unit. Release pkr. and RBP, TOH. TIH w/ tbg. and set CIBP @ 3400'. Load hole w/ gelled brine. Spot 35' cmt. on CIBP. TOH w/ tbg.
2. Cut 5 1/2" csg. @ 2735'. Pull out of hole.
3. Spot cmt. plug @ 2785-²²⁴⁰2500' (across stub and top of Delaware). -TAG
4. Spot cmt. plug @ 370-215' (across 8 5/8" shoe and top of salt). -TAG
5. Spot 50' cmt. plug @ surface. NOBOP. ND wellhead and install P&A marker. RDP.

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

SIGNATURE Brad D. Burks TITLE Agent DATE March 25, 1992

TYPE OR PRINT NAME Brad D. Burks 918-582-3855 TELEPHONE NO.

(This space for State Use)

APPROVED BY [Signature] TITLE Field Rep DATE 4/7/92

CONDITIONS OF APPROVAL, IF ANY:

Plugging

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-105
Revised 1-1-89

WELL API NO.	30-015-26911
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	L-7012

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____		7. Lease Name or Unit Agreement Name Dinero State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DESPICK <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DEEP REPAIR <input type="checkbox"/> OTHER <u>Dry Hole</u>		
2. Name of Operator Bird Creek Resources, Inc.		8. Well No. 4
3. Address of Operator 810 S. Cincinnati, Suite 110 Tulsa, OK 74119		9. Pool name or Wildcat Undesignated
4. Well Location Unit Letter <u>P</u> : <u>760</u> Feet From The <u>South</u> Line and <u>990</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>22-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		
10. Date Spudded 1-20-92	11. Date T.D. Reached 1-31-92	12. Date Compl. (Ready to Prod.) 2-7-92
13. Elevations (DFA RKB, RT, GR, etc.) 3078' GR		14. Elev. Casinghead 3078'
15. Total Depth 6200'	16. Plug Back T.D. 6148'	17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools 0-6200'
19. Producing Interval(s), of this completion - Top, Bottom, Name Delaware perms @ 3452-3455', 3820-3823', 6010-6037'		20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run GR-CNL-ZDL, GR-DLL-MLL		22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8.625"	24	0-320'	12.25"	325 sxs., cmt. circulated	
5.5	17	0-6200'	7.875"	850 sxs., TOC @ 2735'	by CBL

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number) 2 spf @ 3452-3455', 8 holes 2 spf @ 3820-3823', 8 holes 1 spf @ 6010-6037', 17 holes	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	3452-3455'	2500 g gel, 2500# sd
	3820-3823'	3800 g gel, 7000# sd
	6010-6037'	21 500 g gel, 68 500# sd

28. PRODUCTION							
Date First Production 2-7-92		Production Method (Flowing, gas lift, pumping - Size and type pump) Swabbing				Well Status (Prod. or Shut-in) SI	
Date of Test 3-22-92	Hours Tested 10	Choke Size 2"	Prod's For Test Period	Oil - Bbl. 0	Gas - MCF 0	Water - Bbl. 160	Gas - Oil Ratio --
Flow Tubing Press. ---	Casing Pressure ---	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 0	Water - Bbl. 384	Oil Gravity - API - (Corr.) ---	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) ---	Test Witnessed By Pride Swab Unit
-------------------------------------------------------------------	--------------------------------------

30. List Attachments Directional survey, Logs	918-582-3855
--------------------------------------------------	--------------

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Brad D. Burks Printed Name Brad D. Burks Title Agent Date 3-25-92

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any new, deepened or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southwestern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____ 265'	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 2548'	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Eibert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____ 2548'	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____ 6051'	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology
0	265	265	Dolomite
265	2548	2283	Salt, Anhydrite, Lime
2548	6051	3503	Sand, Shale
6051	6200	49	Limestone

Bird Creek Resources, Inc.

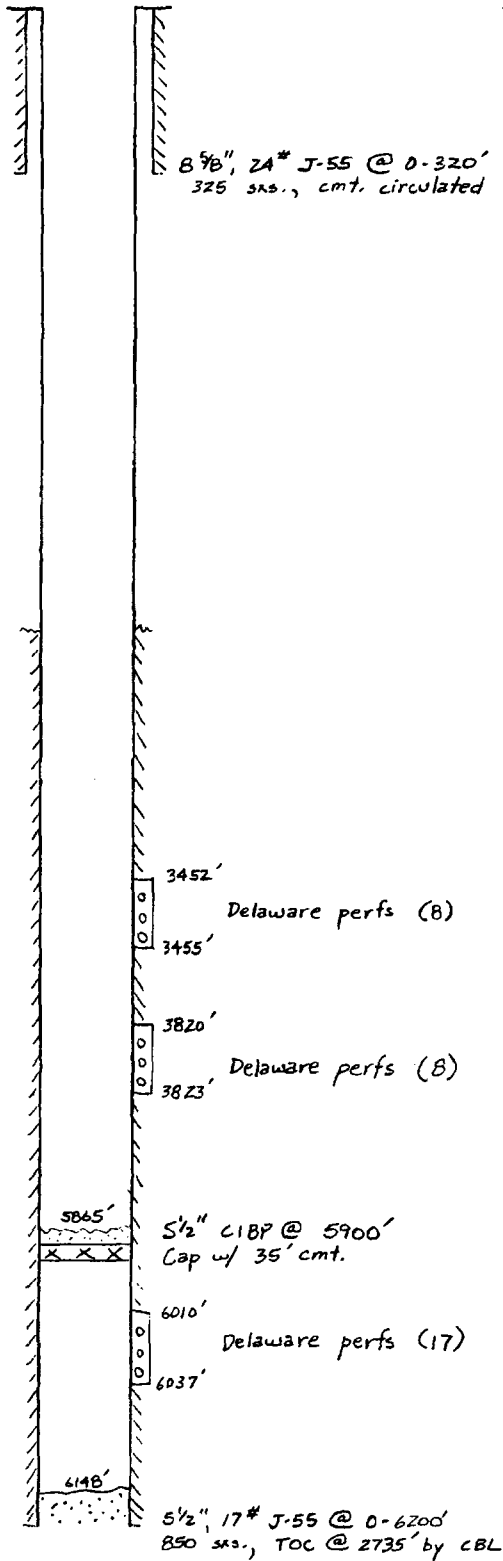
Dinero St. No. 4

SE/SE/4. Sec. 16-T22S-R-28 E

Eddy County, New Mexico

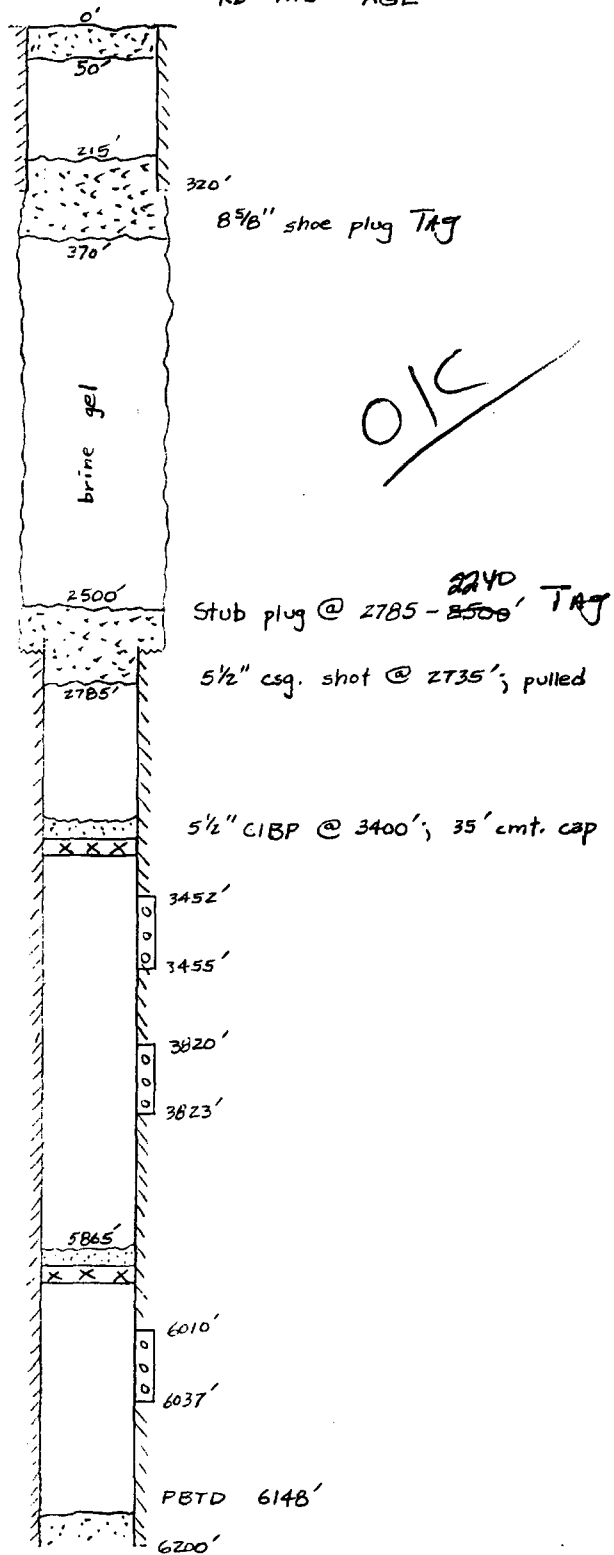
KB 11.5' AGL

CURRENT



TD 6200'

PROPOSED



OK

BDB
3-25-92

VII.

1. Proposed average and maximum daily rate and volume of fluids to be injected;
Avg. 60 bbls/day; Max 100 bbls/day
2. Whether the system is open or closed;
Closed
3. Proposed average and maximum injection pressure;
Avg. 800#; Max 1350#
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
Fluid to be injected is from same formation (Cherry Canyon)
5. If injection is for disposal purposed 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 and
XII

DINERO OPERATING COMPANY

1004 N. BIG SPRING, SUITE 500

P.O. BOX 10505

MIDLAND, TEXAS 79702

(432) 684-5544 Fax - (432) 684-3990

DINERO OPERATING COMPANY

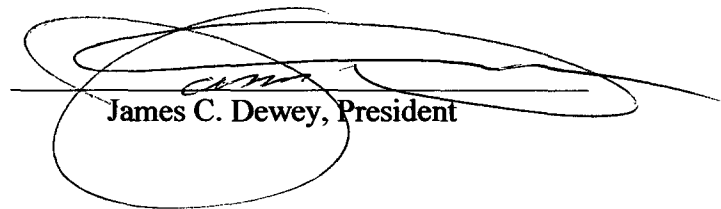
DINERO STATE COM #3

SEC. 16, T22S, R28E

660' FSL & 1950' FEL

I hereby state that I know of no evidence of an open fault or hydrologic connection between the proposed disposal zone and the Cherry Canyon of the Delaware Mountain group and the underground sources of drinking water in this area. We have enclosed a water analysis of the injection water and of the water in the zone we will be injecting into as well as an analysis of the fresh water well closest to this disposal well.

By:



James C. Dewey, President

709 W. INDIANA
MIDLAND, TEXAS 79701
FAX (432) 682-8819

July 20, 2004

Mr. Charlie Williams
Dinero Operating
P.O. Drawer 10505
Midland, TX 79703

Subject: Recommendations relative to Laboratory #704-118 (Dinero State #1).

Dear Mr. Williams:

We have theoretically combined this water with the water from Dinero State #3 (reported on laboratory #704-96) and carefully searched for scaling potential from calcium carbonate and calcium sulfate. While each water individually shows a slight calcium carbonate scaling tendency, combining them should not increase the scaling potential. There is no likelihood of scale from calcium sulfate.

Each water contains free hydrogen sulfide and the sample from State #1 has a rather high iron reading. However, this iron was already precipitated as iron sulfide. Therefore, the combination of these waters would not increase the precipitation of iron sulfide. No other areas of concern were detected.

Based on these analyses and observations, the mixing of these waters would not be expected to increase scaling potential, or result in additional precipitation. Therefore, they would be considered to be compatible.

Sincerely,



Greg Ogden

/am

P.O. BOX 98
MIDLAND, TX. 79702
PHONE (432) 683-4521

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
FAX (432) 682-8819

RESULT OF WATER ANALYSES

TO: Mr. Charlie Williams
P.O. Drawer 10505, Midland, TX 79703

LABORATORY NO. 704-95
SAMPLE RECEIVED 7-14-04
RESULTS REPORTED 7-16-04

COMPANY Dinero Operating LEASE Dinero State

FIELD OR POOL _____

SECTION _____ BLOCK _____ SURVEY _____ COUNTY Eddy STATE NM

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Submitted water sample - taken from fresh water well @ Ranch House. 7-14-04

NO. 2 _____

NO. 3 _____

NO. 4 _____

REMARKS: _____

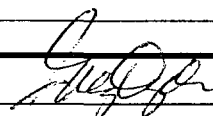
CHEMICAL AND PHYSICAL PROPERTIES

	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0012			
pH When Sampled				
pH When Received	7.13			
Bicarbonate as HCO ₃	127			
Supersaturation as CaCO ₃				
Undersaturation as CaCO ₃				
Total Hardness as CaCO ₃	2,150			
Calcium as Ca	640			
Magnesium as Mg	134			
Sodium and/or Potassium	95			
Sulfate as SO ₄	1,473			
Chloride as Cl	511			
Iron as Fe	0.25			
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	2,980			
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen				
Hydrogen Sulfide	0.0			
Resistivity, ohms/m at 77° F.	2.36			
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				
Nitrate, as N	20.8			

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.



XIV

DINERO OPERATING COMPANY
P. O. Box 10505
Midland, TX 79702
(432) 684-5544

September 7, 2002

OFFSET OPERATORS:

Dinero Operating Company (all directions)
P. O. Box 10505
Midland, TX 79702
(not sent by certified mail as Dinero is also the a

SURFACE OWNER:

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501-2708
(By Certified Mail #70023150000505109651)

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
SANTA FE, NM 87501	
Postage	\$ 1.29
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.59
Sent To New Mexico State Land Office Street, Apt. No., or PO Box No. 310 Old Santa Fe Trail City, State, ZIP+4 Santa Fe, NM 87501-2708	
PS Form 3800, June 2002	

UNIT NO 510
SEP 10 2002
KCVH
09/08/02

Dinero Operating Company has filed application with the New Mexico Oil Conservation Division to permit the following well to a Water Injection Well. One of the requirements is that we notify the offset operators within one-half mile radius and the surface owner of this application.

Dinero State Com Well #3
API #30-015-25838
660' FSL & 1950' FEL
Unit O, Sec. 16, T22S, R28E
Eddy County, NM

The injection intervals will be from 2696'-4300' in the Cherry Canyon formation with maximum injection rate of 100 bbls. Produced Cherry Canyon water at a maximum injection pressure of 1350#.

Interested parties must file objections or request for hearing with the Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, NM 87505, within 15 days of this notice.

Yours very truly,

Linda Johnston

XIV

Affidavit of Publication

NO. 18577

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 county and state, and that the here to 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 consecutive weeks/days on the same
day as follows:

First Publication August 15 2004

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

16th Day August 2004

Barbara Ann Adams

Notary Public, Eddy County, New Mexico

My Commission expires September : 23, 2007

Copy of Publication:

LEGAL NOTICE

DINERO OPERATING
COMPANY, P. O. Box
10505, Midland, TX
79702

(432) 684-5544, (contact
James Dewey) is filing
application with the State
of New Mexico Oil
Conservation Division to
convert their Dinero
State Com Well #3 API
#30-015-25838, 660'
FSL & 1950' FEL, Unit O,
Sec. 16, T22S, R28E,
Eddy County, NM, into a
water injection well. The
injection intervals will be
from 2696'-4300' in the
Cherry Canyon formation
with maximum injection
rate of 100 bbls/day pro-
duced Cherry Canyon
water at a maximum in-
jection pressure of
1350#.

Interested
parties must file objec-
tions or requests for
hearing with the Oil
Conservation Division,
1220 South St. Francis
Drive, Santa Fe, NM
87505 within 15 days of
this notice.

Published in the Artesia
Daily Press, Artesia,
N.M. August 15, 2004.

Legal 18577

DINERO OPERATING COMPANY, P. O. Box 10505, Midland, TX 79702

(432) 684-5544, (contact James Dewey) is filing application with the State of New Mexico Oil Conservation Division to convert their Dinero State Com Well #3 API #30-015-25838, 660' FSL & 1950' FEL, Unit O, Sec. 16, T22S, R28E, Eddy County, NM, into a water injection well. The injection intervals will be from 2696'-4300' in the Cherry Canyon formation with maximum injection rate of 100 bbls/day produced Cherry Canyon water at a maximum injection pressure of 1350#. Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505 within 15 days of this notice.

Artesia Daily Press

*published
8/15*