

SWD

2/26/99

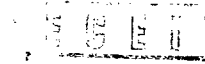
1A)

MIDLAND OPERATING, INC.

3300 N. 'A' STREET
BLDG. TWO, SUITE 104
MIDLAND, TX 79705

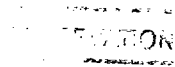
915-570-0077

January 8, 1999



Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

FEB 11 1999



Re: Application to Inject C-108
Gulf Orcutt Well #2
Eumont (Y-SR-Q) Field
Lea County, New Mexico

T-10
P-1

Gentlemen:

Please find attached an application for the referenced well to inject into a reservoir that is currently production oil and gas. All attachments to the C-108 are attached. With these documents in hand, Midland Operating, Inc. respectfully requests that this application be approved at your earliest convenience.

R-0

Thank you,

Michael D. Prichard

Michael D. Prichard



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

2 / 15 / 99

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP _____
SWD x _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Midland Operating Inc Gulf Ercott # 2-6 25-21s-35e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? ☒ Yes ☐ No
- II. OPERATOR: MIDLAND OPERATING, INC.
ADDRESS: 3300 N. 'A' ST.; BLDG. TWO, STE. 104; MIDLAND, TX 79705
CONTACT PARTY: MICHAEL D. PRICHARD PHONE: (915) 570-0077
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☐ Yes ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate 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.
- *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: Michael D. Prichard TITLE: Operations Engineer
SIGNATURE: Michael D. Prichard DATE: 1/08/99
- * 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: _____

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 the 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, 2040 South Pacheco, 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

Tubing Size: 2-3/8" Lining Material: IPC
 Type of Packer: 4-1/2" Baker AD-1
 Packer Setting Depth: 3650
 Other Type of Tubing/Casing Seal (if applicable): NA

Additional Data

1. Is this a new well drilled for injection? Yes ☒ No
 If no, for what purpose was the well originally drilled? Producer
2. Name of the Injection Formation: Seven Rivers
3. Name of Field or Pool (if applicable): Eumont
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: Yates at approx. 3400' and Queen
depth unknown, no available data.

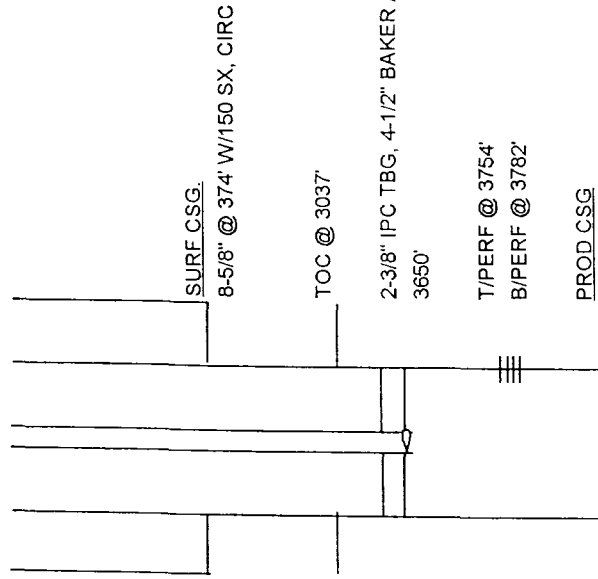
INJECTION WELL DATA SHEETOPERATOR: MIDLAND OPERATING, INC.WELL NAME & NUMBER: GULF ORCUTT #2WELL LOCATION: 1650 FNL & 1650 FEL

G	25	21-S	35-E
UNIT LETTER	SECTION	TOWNSHIP	RANGE

FOOTAGE LOCATION

WELLBORE SCHEMATIC

(Proposed)



TD = 3965'

WELL CONSTRUCTION DATASurface Casing

Hole Size:	12-1/4"	Casing Size:	8-5/8"	
Cemented with:	150	sx.	or	ft ³
Top of Cement:	Surface	Method Determined:	Calc	

Intermediate Casing

Hole Size:		Casing Size:		
Cemented with:		sx.	or	ft ³
Top of Cement:		Method Determined:		

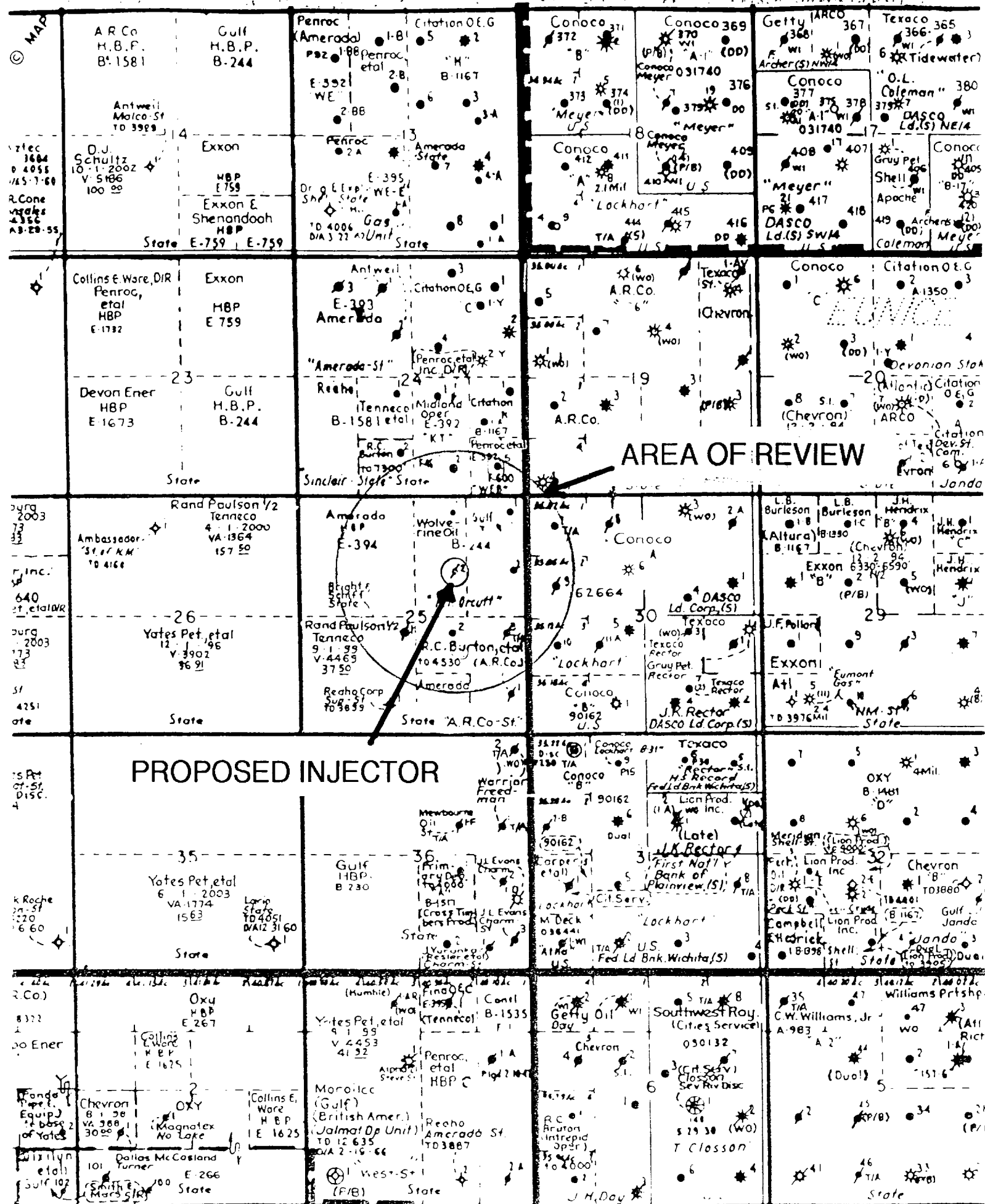
Production Casing

Hole Size:	7-7/8"	Casing Size:	4-1/2"	
Cemented with:	200	sx.	or	ft ³
Top of Cement:	3037	Method Determined:	Calc	
Total Depth:	3965			

Injection Interval

Perf	3754	feet to	3782
------	------	---------	------

(Perforated or Open Hole; indicate which)



**Summary of Wells Within One-Half Mile Radius of the Subject Well
Gulf Orcutt #2**

Lease Name Well Number	Gulf Orcutt 1	State WE B 5	State KT 24 2	Atlantic State 3	Superior State* 1	Atlantic State 2	Lockhart A-30 7	Lockhart A-30 9	H T Orcutt F 1	H T Orcutt F 2
Type	Act-Prod	Act-Prod	Act-Prod	T&A	P&A	Act-Prod	T&A Prod	Act-Prod	Act-Prod	Act-Prod
Surface Casing	8-5/8"		9-5/8"	8"	9-5/8"	9-5/8"	8-5/8"	8-5/8"	8-5/8"	8-5/8"
Depth Set	299		312	219	321	276	1624	1649	1626	425
Sacks/Cement	180		300	200	250	250	735	750	1100	325
Production Casing	5-1/2"	7"	5-1/2"	5-1/2"	7"	5-1/2"	5-1/2"	5-1/2"	5-1/2"	5-1/2"
Depth Set	3997	3920	3940	3904	3962	3964	4074	3949	3950	3949
Sacks/Cement	150	800	250	250	350	250	1068	1056	740	1060
Date Drilled	9/11/57	3/18/55	11/13/55	6/1/53	4/15/55	5/20/56	5/19/55	9/42/55	4/17/56	3/2/57
Footage Location	330 FNL & 1650 FEL	660 FSL & 660 FEL	660 FSL & 1650 FEL	2310 FSL & 330 FEL	2310 FSL & 2310 FWL	2310 FSL & 1650 FEL	660 FNL & 660 FWL	1980 FNL & 660 FWL	330 FNL & 330 FEL	1650 FNL & 330 FEL
Section	25	24	24	25	25	25	30	30	25	25
TWN - RING	21S-35E	21S-35E	21S-35E	21S-35E	21S-35E	21S-35E	21S-36E	21S-36E	21S-35E	21S-35E
Depth	3997	3981	3940	3941	3962	3970	4075	3950	3950	3950
Top Perf	3811	OH 3920	3522	3764	3790	3904	3854	3789	3846	3486
Bottom Perf	3912	OH 3981	3900	3893	3884	3916	3894	3818	3930	3942
Acid	500	10000 gal	6500 gal	3000 gal		1500	1000 gal	1000 gal	500 gal	500 gal
Frac	10000 gal + 10000 lbs	25000 gal + 25000 lbs	10000 gal + 10000 lbs	10000 gal + 10000 lbs	20000 gal + 20000 lbs	17000 gal + 17000 lbs	10000 gal + 10000 lbs	6000 gal + 6000 lbs	13000 gal + 13000 lbs	20000 gal + 20000 lbs

* P&A Report attached

NEW MEXICO OIL CONSERVATION COMMISSION
MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

COMPANY Bright & Schiff 205 Mercantile Commerce Bldg., Dallas, Tex.
(Address)

LEASE Superior-State WELL NO. 1 UNIT R S 25 T 21S R 35E
DATE WORK PERFORMED 12/6/57 POOL Emout

This is a Report of: (Check appropriate block) ☐ Results of Test of Casing Shut-off

☐ Beginning Drilling Operations

☐ Remedial Work

☒ Plugging

☐ Other _____

Detailed account of work done, nature and quantity of materials used and results obtained.

A 25 sack cement plug was set in the bottom after filling the hole with heavily laden mud. The 7" casing was shot off at 2700' and a 20 sack plug was spotted in the stub of the 7". A 25 sack plug was placed in the bottom of the surface and a 10 sack plug in the top of the surface with a 4" marker 5' above the ground.

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

Original Well Data:

DF Elev. _____ TD _____ PBD _____ Prod. Int. _____ Compl Date _____

Tbng. Dia _____ Tbng Depth _____ Oil String Dia _____ Oil String Depth _____

Perf Interval (s) _____

Open Hole Interval _____ Producing Formation (s) _____

RESULTS OF WORKOVER:

BEFORE

AFTER

Date of Test _____

Oil Production, bbls. per day _____

Gas Production, Mcf per day _____

Water Production, bbls. per day _____

Gas-Oil Ratio, cu. ft. per bbl. _____

Gas Well Potential, Mcf per day _____

Witnessed by _____

(Company)

OIL CONSERVATION COMMISSION

Name [Signature]

Title Oil & Gas Inspector

Date JAN 28 1958

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

Name [Signature]

Position Agent

Company Bright & Schiff

GULF ORCUTT #2

CONVERT TO INJECTION

NMOCD Form C-108 Sections VII through XII

VII. Data on proposed operation

1. Proposed average injection rate: 150 BWPD
Proposed maximum injection rate: 250 BWPD
2. The system will be a closed system.
3. Proposed average injection pressure: 500 PSI
Proposed maximum injection pressure: 1500 PSI
4. The proposed injection fluid will be re-injected produced water.
5. Zone is productive of oil and/or gas.

VIII. The proposed disposal interval is located in the Seven Rivers formation. This Permian age horizon is nearly 250 feet thick in this area. The top of the Seven Rivers formation is at a depth of approximately 3700 feet with the base at a depth of 3950 feet.

There are no known water wells within the area of review.

- IX. The existing perforations (3754' – 3782') will be acidized with approximately 1000 gallons of 15% NEFE HCL.
- X. A log of the proposed injection well is provided in this package.
- XI. There are no fresh water wells of record within one mile of the proposed injection well.
- XII. An examination of this area has determined there are no open faults or other hydrologic connection between the disposal zone and any underground drinking water.

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs Daily News-Sun, a
daily newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 2
_____ weeks.

Beginning with the issue dated

January 22 1999
and ending with the issue dated

January 23 1999

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 22nd day of

January 1999

Jodi Benson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

LEGAL NOTICE

January 17, 19, 20,
21, 22, & 23, 1999

This is to advise all parties
concerned, Midland Operat-
ing, Inc. intends to convert the
following well to a Salt Water
Disposal well:

Gulf Orcutt #2
1650' FNL & 1650' FEL
Section 25, T-21-S, R-35-E
Lea County, New Mexico

The formation to be injected
into is the Seven Rivers at a
depth of 3754' to 3782'. The
maximum expected injection
rate is 250 BWPD with an ex-
pected maximum injection
pressure of 1500 PSI. Ques-
tions can be addressed to:

Midland Operating, Inc.
3300 N. 'A' Street
Bldg. Two Suite 104
Midland, TX 79705
Attn: Michael D. Prichard
Phone # (915)570-0077

Interested parties must file
objections or requests for
Hearing within 15 days of this
notice to the

Oil Conversation Division
2040 South Pacheco
Santa Fe, NM 87505

#16364

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

02103203000 02524334

Midland Operating Inc.
3300 N. 'A' Street
Bldg. Two, Suite 104
MIDLAND, TX 79705

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none">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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Merchant Livestock Co. P.O. Box 1105 Eunice, NM 88231 ATTN: Mr. John Pearson		4a. Article Number P 684 795 448	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)		7. Date of Delivery 4	
6. Signature: (Addressee or Agent) <i>John Pearson</i>		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.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none">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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: CONOCO INC 10 Desta Drive West Midland, TX 79705		4a. Article Number Z 236 363 824	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name) <i>Conita Gonzalez</i>		7. Date of Delivery 11	
6. Signature: (Addressee or Agent) <i>Conita Gonzalez</i>		8. Addressee's Address (Only if requested and fee is paid)	

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

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3. Article Addressed to: Penroc Oil Corp. 5014 Carlsbad Hwy Hobbs, NM 88241-5970		4a. Article Number P 684 795 449	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name) <i>B Rice</i>		7. Date of Delivery 1-72	
6. Signature: (Addressee or Agent) <i>B Rice</i>		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.

SENDER: <ul style="list-style-type: none">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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Ralph C. Bruton 3500 Acoma Hobbs, NM 88240		4a. Article Number Z 236 363 821	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
5. Received By: (Print Name) <i>Ralph C. Bruton</i>		7. Date of Delivery 1-9	
6. Signature: (Addressee or Agent) <i>Ralph C. Bruton</i>		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-530 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

SENDER: <ul style="list-style-type: none">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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Chevron USA 15 Smith Road Midland, TX 79705		4a. Article Number Z 236 363 822	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
5. Received By: (Print Name) <i>Conita Gonzalez</i>		7. Date of Delivery 11	
6. Signature: (Addressee or Agent) <i>Conita Gonzalez</i>		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-530 DOMESTIC RETURN RECEIPT