

8/21/00	9/5/00	MA	KV	AMEND SWD
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ABOVE THIS LINE FOR DIVISION USE ONLY

23527359

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [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 - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

AUG 21

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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce
 Signature

Attorney for Applicant
 Title

8/21/00
 Date

Print or Type Name

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

August 21, 2000

Hand Delivered

David R. Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Corrected Administrative Order SWD-763

Dear Mr. Catanach:

The above order was obtained by Clayton Williams Energy, Inc., approving injection into the Cisco formation at depths of 8750-8950 feet subsurface. The well is operated by Mewbourne Oil Company ("Mewbourne"). Mewbourne now seeks to amend the order to allow injection into the Cisco formation at depths of approximately 8500-8950 feet subsurface.


Enclosed are the following:

1. A copy of Corrected Administrative Order SWD-763.
2. A C-108 signed by Mewbourne, with attachments 1-9 from the original application. These attachments did not change, except for the different injection interval.
3. Mewbourne Oil Company's re-entry proposal, together with wellbore schematics.

By copy of this letter, the offset operators and surface owner are being notified of this application by certified mail, and are requested that if they object to the application they must notify the Division within 15 days of the date of this letter.

Please call if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Mewbourne
Oil Company

cc: Phillips Petroleum Company
(Operator - S½ §17 & N½ §19)
4001 Penbrook
Odessa, Texas 79762
Attention: Patrick H. Noah

Chase Oil Corporation
(Operator - NE¼ §19)
P.O. Box 1767
Artesia, New Mexico 88211
Attention: Ron Lanning

Santa Fe Snyder Corporation
(Operator - E½ §6)
Suite 1330
550 West Texas
Midland, Texas 79701

Mewbourne Oil Company
(Operator - S½ §18 & W½ §20)

Commissioner of Public Lands
(Surface Owner/Lessor)
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

CORRECTED ADMINISTRATIVE ORDER SWD-763

APPLICATION OF CLAYTON WILLIAMS ENERGY, INC. FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Clayton Williams Energy, Inc. made application to the New Mexico Oil Conservation Division on February 24, 2000, for permission to complete for produced water disposal its New Mexico "EO" State Com Well No. 1 (API No. 30-015-25077) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 20, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its New Mexico "EO" State Com Well No. 1 (API No. 30-015-25077) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 20, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Cisco formation from approximately 8,750 feet to 8,950 feet through 2 7/8 inch plastic-lined tubing set in a packer located at approximately 8,700 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1750 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Cisco formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

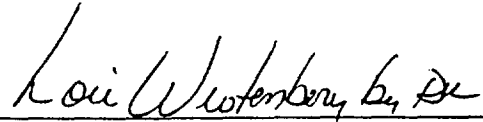
Corrected Administrative Order SWD-763

Clayton Williams Energy, Inc.

June 6, 2000

Page 3

Approved at Santa Fe, New Mexico, on this 6th day of June, 2000.

A handwritten signature in cursive script, reading "Lori Wrotenbery, Director".

LORI WROTENBERY, Director

LW/MWA/kv

cc: Oil Conservation Division – Artesia
State Land Office – Oil and Gas Division

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Mewbourne Oil Company
ADDRESS: P. O. Box 7698, Tyler, TX 75711
CONTACT PARTY: Monty Whetstone PHONE: (903) 561-2900
- 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. Attachment 1 to original application
- 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. Attachment 2 TO ORIGINAL APPLICATION
- 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. Attachment 3 to original application
- VII. Attach data on the proposed operation, including: Attachment 4 to original application
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. Attachment 5 to original application
- IX. Describe the proposed stimulation program, if any. Attachment 6 to original application
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted). Attachment 7 to original application
- *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. Attachment 8 to original application
- 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. Attachment 9 to original application
- 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: Monty Whetstone TITLE: Vice-President of Operations

SIGNATURE: Monty Whetstone DATE: July 21, 2000

- * 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.

OPERATOR: Clayton Williams Energy, Inc.

WELL NAME & NUMBER: New Mexico "EO" State Com #1 (API # 30-015-25077)

WELL LOCATION: 1980' FNL & 660' FWL E UNIT LETTER 20 SECTION 17S TOWNSHIP 29E RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

ATTACHED

Hole Size: 17-1/2" Casing Size: 13-3/8" @ 453'

Cemented with: 500 sq. or 660 ft³

Top of Cement: surface Method Determined: circulation

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8" @ 3000'

Cemented with: 700 sq. or 924 ft³

Top of Cement: surface Method Determined: circulation

Production Casing

Hole Size: 8-1/2" Casing Size: 5-1/2" @ 10,842'

Cemented with: 2160 sq. or 3386 ft³

Top of Cement: 1300' Method Determined: temp. survey

Total Depth: 10,850'

Injection Interval

8750' feet to 8950' perforated

(Perforated or Open Hole; indicate which)

Attachment 1
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

III. Well Data

- A. (1) New Mexico "EO" State Com #1
Section 20 T17S R29E Unit E, Eddy County
1980' FNL and 660' FWL
- (2) 13 3/8"@ 453', 500 sacks Cement, 17 1/2" hole, cement to surface, circulated to surface
9 5/8"@ 3,000', 700 sacks Cement, 12 1/4" hole, cement to surface, circulated to surface (DV tool at 1930')
5 1/2"@ 10,842', 2,160 sacks Cement, 8 1/2" hole, cement to 1,300', temperature survey (DV tool at 8,199')
Note: 5 1/2" casing cut off at 1,300' when plugged and abandoned
- (3) 2 7/8" Plastic Coated Tubing set at +-8,700'
- (4) Baker Model "D" plastic coated set at +-8,700'
- B. (1) Cisco Formation
- (2) Proposed Perforated Interval ~~8,750'~~ 8,950'
- (3) Originally drilled as a Morrow gas producer.
- (4) Perforations above at 8,539'-8,580' with CIBP set at 8,740' w/35 sacks cement on top. Cement tagged at 8,519' and 2 more sacks cement spotted on top. Also, cement plug above from 8,100'-7,950'.
Perforations below at 9,014'-9,024' w/CIBP set at 8,988', perforations at 9,114'-9,120' w/CIBP set at 9,100' w/4 sacks cement on top, perforations at 10,386'-10,394' w/CIBP set at 10,305' w/4 sacks cement on top and perforations at 10,604'-10,660' w/CIBP set at 10,480' w/4 sacks cement on top.
- (5) Morrow and Atoka below at +-10,100'-10,767' and Yeso above at +-3,800'-4,300'.

Attachment 3
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

VI. Tabulation of wells that penetrate the proposed injection zone within the area of review:

Mewbourne Oil Company
Empire "20" State #1 (API #30-015-271350001)
Empire South Pool (Pool code 015812)
Eddy County, New Mexico
Section 20 T17S R29E
Unit F 2,180' FNL and 1,980' FWL
Spud Date 9/25/92 and Completion Date 12/15/92

13 3/8" set @ 490' cemented with 520 sacks
9 5/8" set @ 2,600' cemented with 1,050 sacks
5 1/2" set @ 10,920' cemented with 2,965 sacks

Perforated from 10,620'-10,757'

Currently Producing

Attachment 4
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

VII. Data on the proposed operation

1. Proposed average and maximum daily rate and volume of fluids to be injected: **Average Daily Rate: 4,000 Barrels per Day**
Maximum Daily Rate: 8,000 Barrels per Day
2. Whether the system is open or closed: **System will be closed**
3. Proposed average and maximum injection pressure:
Maximum injection pressure will be 1754 PSIG
Average injection pressure will be 1000 PSIG
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water:
Water will be reinjected produced water
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:
Not Available

Attachment 5

Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

VIII. Geological Data

The proposed disposal interval is within the Cisco Formation at a depth of 8950'. The Cisco Formation consists of dolomite, sand and lime and has a thickness of +-600'. There are known aquifers overlying the proposed disposal area.

Attachment 6
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

IX. Describe the proposed stimulation program, if any:

If necessary, 3000 gallons of 15% hydrochloric acid

Attachment 7
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

X. Attach appropriate logging and test data on the well.

Logs are on file. No test data on the proposed disposal zone has been obtained.

Attachment 8
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

XI. Fresh water analysis...

There are no known fresh water wells within one mile.

Attachment 9
Clayton Williams Energy, Inc.
Application for Authorization to Inject
Form C-108

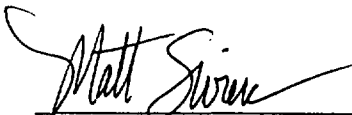
XII. Affirmative Statement

Re: New Mexico "EO" State Com #1 Well
Section 20 T17S R29E
Eddy County, New Mexico

Let it be known that Clayton Williams Energy, Inc. has examined all available engineering and geologic data and find no evidence of open faults of any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Clayton Williams Energy, Inc.

Date: February 22, 2000



Matt Swierc
Production Supt.

Mewbourne Oil Company
New Mexico "EO" State Com #1

1980' FNL & 660' FWL

Sec. 20, T17S, R29E

Eddy Co., New Mexico

API# 30-015-25077

Re-entry for Proposed SWD

June 27 2000

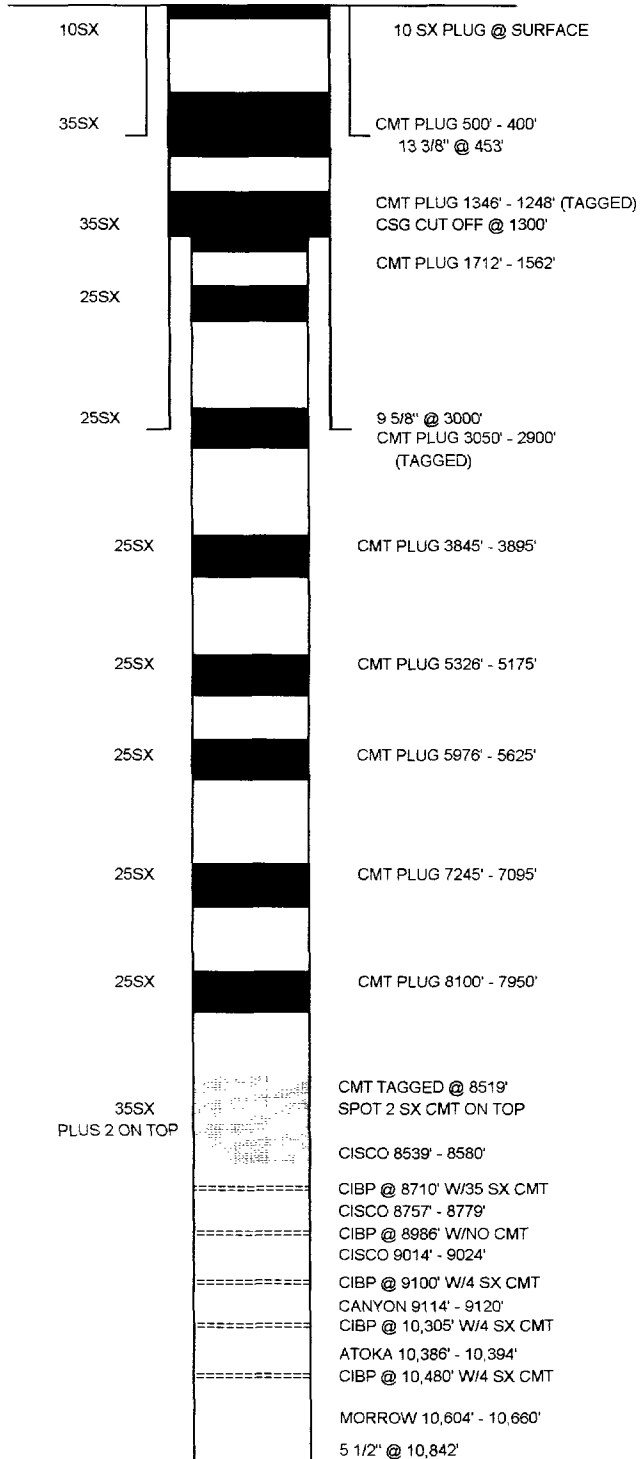
- 1) Excavate dry hole marker and weld on 9 5/8" SOW x 11" 3000# head with top of head at GL.
- 2) MIRU work-over unit and install 11" 3000# manual double BOP with 2 7/8" pipe rams and blinds.
- 3) PU 8 1/2" bit, bit sub and 1-4 3/4" drill collar with hydraulic swivel. Drill out surface plug and continue PU DC's for a total of 6.
- 4) PU 2 7/8", 10.4#, AOH drill pipe and continue to drill out cement plugs to top of 5 1/2" casing stub at +1300'. Circulate hole clean and TOO. Stand 4 3/4" drill collars and drill pipe for later use.
- 5) PU 4 3/4" bit, bit sub and 6-3 1/2" drill collars with 2 7/8", 6.5#, N80 tubing. TIH and drill out cement plug in top of 5 1/2" casing stub. Continue TIH and drill out cement plugs to +5125'. Circulate hole clean and TOO. Stand 3 1/2" DC's and tubing for later use.
- 6) PU 7 5/8" Kutrite flat bottom shoe, 2 jts. 7 5/8" washpipe and 7 5/8" Kutrite dress-off mill/top bushing. TIH with 6-4 3/4" DC's and 2 7/8" AOH DP to top of 5 1/2" casing stub at ±1300'.
- 7) Wash/cut over top of casing and continue wash over to bottom out casing stub on mill. Dress off 2-3' of casing or until "clean". TOO and LD 4 3/4" drill collars, washpipe, shoe and mill.
- 8) PU 7 5/8" overshot with 5 1/2" grapple and TIH on 2 7/8" AOH DP. Work over top of casing and engage.
- 9) RU wireline truck and freepoint 5 1/2" casing to determine back off point. TIH with shot and back off casing in desired coupling. TOO and LD fish and 2 7/8" AOH DP. RD wireline truck.
- 10) RU casing tools and run 5 1/2", 17#, N80 casing. Screw into top of casing stub and torque to specifications.
- 11) Load casing and test to 2000 psi to determine casing integrity.
- 12) ND 11" BOP, set 5 1/2" casing slips, cut off and NU 11" 3000# x 7 1/16" 3000# tubing spool. Test seal to 1500 psi. NU 7 1/16" manual double BOP with 2 7/8" pipe rams and blinds.

- 13) PU 4 3/4" bit and bit sub. TIH with 3 1/2" DC's and 2 7/8" tubing. Drill out cement plugs to 8710'. Circulate hole clean.
- 14) Drill out CIBP's at 8710' and 8988'. Clean out to \pm 9100' and circulate clean. TOOH and LD DC's, bit sub and bit.
- 15) PU 4 3/4" bit, 5 1/2" casing scraper and bit sub. TIH on 2 7/8" tubing. Drill out cement plugs and CIBP to 9100'. Circulate hole clean. TOH with BHA.
- 16) PU Loc-set packer and TIH to 8450'. Set packer and establish injection rate across new approved Cisco formation selected perforations from 8500' - 8950'.
- 17) Acidize all Cisco perms if necessary. Establish injection rate. Release packer. LD tubing and packer.
- 18) PU injection packer and 2 7/8" plastic coated tubing. Test tubing while running in the hole to 5000 psi. Set packer at \pm 8450'. Load and test annulus with 2% KCL packer fluid.
- 19) ND BOP and hang tubing in spool. Flange up wellhead and release all rental equipment.
- 20) Prepare location for surface equipment.

F.C. "Frosty" Lathan

MEWBOURNE OIL COMPANY
New Mexico "EO" State Com #1
1980' FNL & 660' FWL
Sec. 20, T17S, R29E
Eddy Co., New Mexico

WELLBORE SCHEMATIC
(Current)



MEWBOURNE OIL COMPANY
New Mexico "EO" State Com #1
1980' FNL & 660' FWL
Sec. 20, T17S, R29E
Eddy Co., New Mexico

WELLBORE SCHEMATIC
(Proposed)

