

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-28487
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cedro APG State Com
8. Well Number 1
9. OGRID Number 119305
10. Pool name or Wildcat SWD; Wolfcamp-Cisco (96136)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3602' GR

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 SWD	
2. Name of Operator Ray Westall Operating, Inc.	
3. Address of Operator P.O. Box 4, Loco Hills, NM 88255	
4. Well Location Unit Letter C : 660 feet from the North line and 2230 feet from the West line Section 36 Township 17-S Range 30-E NMPM County Eddy	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3602' GR	

12. 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 type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input checked="" type="checkbox"/> Perf, Test & Configure for SWD	OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Conduct Safety Meeting Prior to Start of All Operations SWD per OCD Permit SWD-1522

- 1) MIRU WSU, reverse unit and associated equipment. Install B.O.P. POOH w/ Tbg.
- 2) Set CIBP between 9980' and 10,000' cap w/ 30' cmt.
- 3) Run CBL to assess cement bond quality and TOC. If req'd, perf and Sqz 5.5" as necessary.
- 4) D/O & C/O cement; circulate hole clean.
- 5) RU Wireline & Perforate selected intervals - max top: 8260'; max bottom: 9912'. (Perfs determined from existing logs.)
- 6) Test hydrocarbon potential; sample produced water for TDS / Chlorides and submit results to OCD.
- 7) RIH w/ workstring; Acidize w/ 750-2500 gals HCl. Swab and circulate hole clean. POOH.
- 8) RIH with nickel plated 5.5" or equiv. VFE retrievable packer or equivalent on 2.875" IPC or equiv. tubing w/ PKR @ 8165'+, pump clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger down annulus, set packer.
- 9) Prepare to run MIT test and notify OCD to witness 24 hours in advance.
- 10) Build injection facility (concurrent activity).
- 11) Start water disposal. Limit injection pressure to 1652 psi.

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 07 2015

RECEIVED

[Workover] Spud Date: 4/09/2015 (Dpnding on Rig avblty)

Rig Release Date:

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

SIGNATURE Ben Stone TITLE Agent for Ray Westall Operating, Inc. DATE 4/07/2015

Type or print name Ben Stone E-mail address: ben@sosconsulting.us PHONE: 903-488-9850

For State Use Only

APPROVED BY: Ben Stone TITLE DISTRICT SUPERVISOR DATE 4/7/15

Conditions of Approval (if any):

* OCD must witness MIT Before injection can start
* Please submit current C-105 subsequent to conversion

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-28487	² Pool Code 96136	³ Pool Name SWD; Wolfcamp - Cisco
⁴ Property Code TBD	⁵ Property Name Cedro APG State Com	⁶ Well Number 1
⁷ OGRID No. 119305	⁸ Operator Name Ray Westall Operating, Inc.	⁹ Elevation 3602 feet

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
C	36	17-S	33-E		660	North	2230	West	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 n/a	¹³ Joint or Infill n/a	¹⁴ Consolidation Code n/a	¹⁵ Order No. SWD-1522
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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 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 4/07/2015 Ben Stone Printed Name SOS Consulting, LLC, agent for Ray Westall Operating, Inc.		
	¹⁸ SURVEYOR CERTIFICATION 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. April 26, 1995 Signature and Seal of Professional Surveyor: Certificate Number 3648		

CURRENT CONFIGURATION

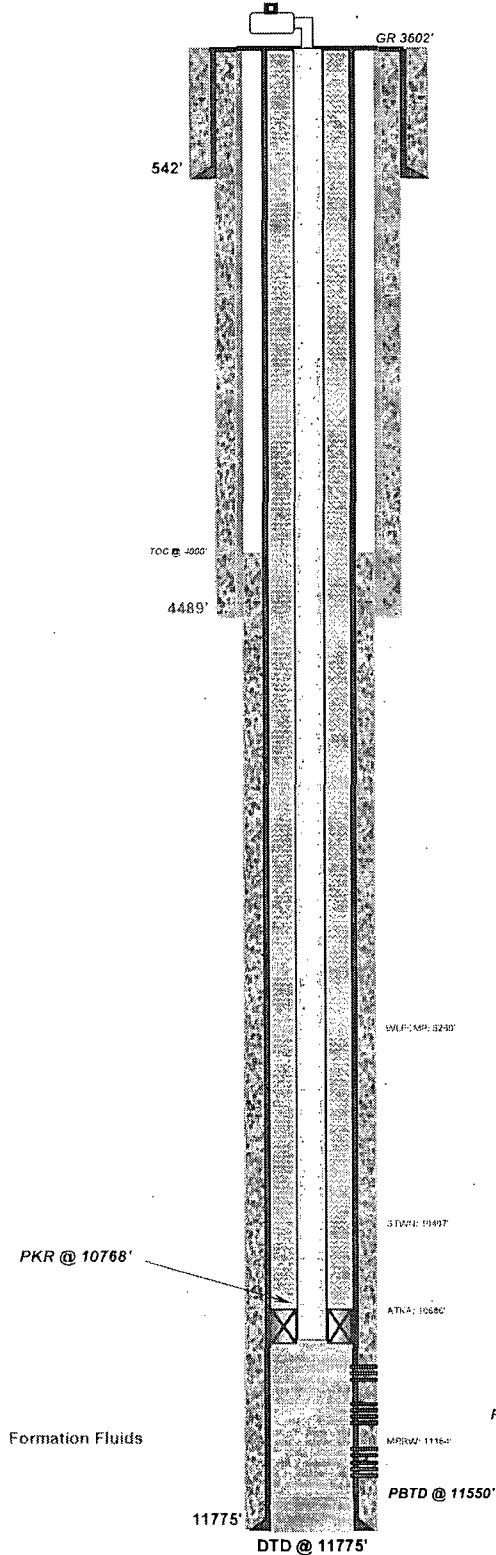
ACTIVE - ON P&A LIST
Cedro APG State Com Well No.1

Non-Economic Gas Well
Enervest Operating, LLC
Scheduled for P&A

API 30-015-28487
660' FNL & 2230' FWL, SEC. 36-T17S-R30E
EDDY COUNTY, NEW MEXICO

Spud Date: 10/28/1995
P&A Date: TBD

TRANSFER IN PROCESS
to Ray Westall Operating, Inc.



Surface Casing

13.375", 54.5# Csg. (17.5" Hole) @ 542'
1175 sx - Circulated to Surface

Intermediate Casing

8.625", 32.0# Csg. (12.25" Hole) @ 4489'
1900 sx - Circulated to Surface

Production Casing

5.5", 17.0# Csg (7.75" Hole) @ 11775'
1125 sx Cls 'H' Neat - TOC @ 4000' by Calc.

Perfs: 10853'-58', 10992'-11006, 11392'-11423'



Drawn by: Ben Stone, 10/28/2014

WELL SCHEMATIC - PROPOSED CONFIGURATION



Cedro APG State Well No.1 SWD

API 30-015-28487

660' FNL & 2230' FWL, SEC. 36-T17S-R30E
EDDY COUNTY, NEW MEXICO

Spud Date: 10/28/1995

SWD Config Date: TBD

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
1652 psi Surface Max

RAY WESTALL OPERATING, INC.

Convert to SWD: Pull production tubing.
Set CIBP @ 9200' or 9850' w/ 30' Cmt Cap.
Perforate Specific Intervals based on logs.
Run PC Tubing and PKR - Conduct MIT.
Commence Disposal Operations.

Surface Casing

13.375", 54.5# Csg. (17.5" Hole) @ 542'
1175 sx - Circulated to Surface

Intermediate Casing

8.625", 32.0# Csg. (12.25" Hole) @ 4489'
1900 sx - Circulated to Surface

Annulus Loaded
w/ Inert Packer Fluid

2.875" IC Tubing
PKR ~8165'

Set CIBP @ ~9980'
Cap w/ 30' Cmt.

Formation Fluids

WLF: 5266

Wolfcamp Perfs: Top Interval 8260'

Canyon Perfs: Btm Interval 9912'

PBTD @ 9950'

G1W.N. 10407

ATN-A: 10585'

MRRW: 1116'

Production Casing

5.5", 17.0# Csg (7.75" Hole) @ 11775'
1125 sx Cls 'H' Neat - TOC @ 4000' by Calc.

Perfs: 10853'-58", 10902'-11005', 11302'-11423'

11775'

DTD @ 11775'



Drawn by: Ben Stone, 10/28/2014

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1522
February 17, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Ray Westall Operating, Inc. (the "operator") seeks an administrative order to utilize its proposed Cedro APG State Com. SWD Well No. 1 located 660 feet from the North line and 2230 feet from the West line, Unit C of Section 36, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Ray Westall Operating, Inc. (OGRID 119305), is hereby authorized to utilize its Cedro APG State Com. SWD Well No. 1 (API 30-015-28487) located 660 feet from the North line and 2230 feet from the West line, Unit C of Section 36, Township 17 South, Range 30 East, NMPM, Eddy County, for commercial disposal of oil field produced water (UIC Class II only) in the interval consisting of the Wolfcamp and Cisco formations through perforations from approximately 8260 feet to 9912 feet.

Injection will occur through internally-coated, 2 7/8-inch or smaller tubing and a packer set within 100 feet of the top perforation.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application and modified in this order.

The operator shall run a cement bond log (or equivalent) to determine the top of cement and the quality of cement placement for the 5-1/2 inch production casing. The operator shall supply the Division's District II office with a copy of the log prior to commencing disposal.

The operator shall conduct a swab test (or equivalent productivity test) for assessment of hydrocarbon potential and obtain a water sample for analysis of hydrocarbon content as well as general water chemistry (including major cations, major anions, and Total Dissolved Solids (TDS)). If significant hydrocarbon shows occur, the operator shall notify the Division's District II office and the operator shall be required to receive written permission prior to commencing disposal. The operator shall supply the results of the water sample to the Division's District II office, and the Santa Fe Bureau office prior to commencing injection.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1652 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

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 or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.


DAVID R. CATANACH
Director

DC/mam

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