

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. Div-Dist. 2

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

1301 W. Grand Avenue
Artesia, NM 88210

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Lease Serial No.

NMLC029387C

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

MOMENTUM OPERATING CO., INC.

3a. Address

P O BOX 578

3b. Phone No. (Include area code)

325-762-13331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL 1650' FWL
SEC. 29, T 18S, R31E, UNIT F

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

KENWOOD #3

9. API Well No.

30-015-10095

10. Field and Pool, or Exploratory Area

SHUGART, YT, 7R

11. County or Parish, State

EDDY CO., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

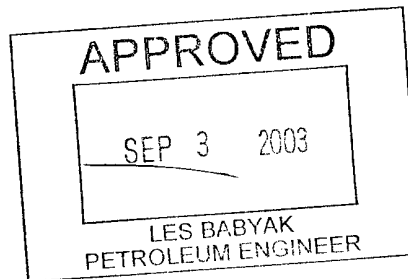
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other WELL BACK TO INJECTION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PLACE WELL INTO INJECTION STATUS

WELLBORE DIAGRAM ATTACHED

SUBJECT TO
LIKE APPROVAL
BY NMOC



RECEIVED
2003 AUG 28 PM 12 48
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

MICHAEL J. PARSONS

Title PRESIDENT

Signature

Date 8/28/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would enable the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

MOMENTUM OPERATING CO, INC. WELLBORE SCHEMATIC

Date: August 26, 2003

Lease: Kenwood

Well No.: 3

Location: Sec 29 18S 31E

Unit F 2310 F/N & 1650 F/W

Elevation:

API No.:30-015-10095

Spud Date:12/16/63

TD Date:2/14/64

Completion Date:2/25/64

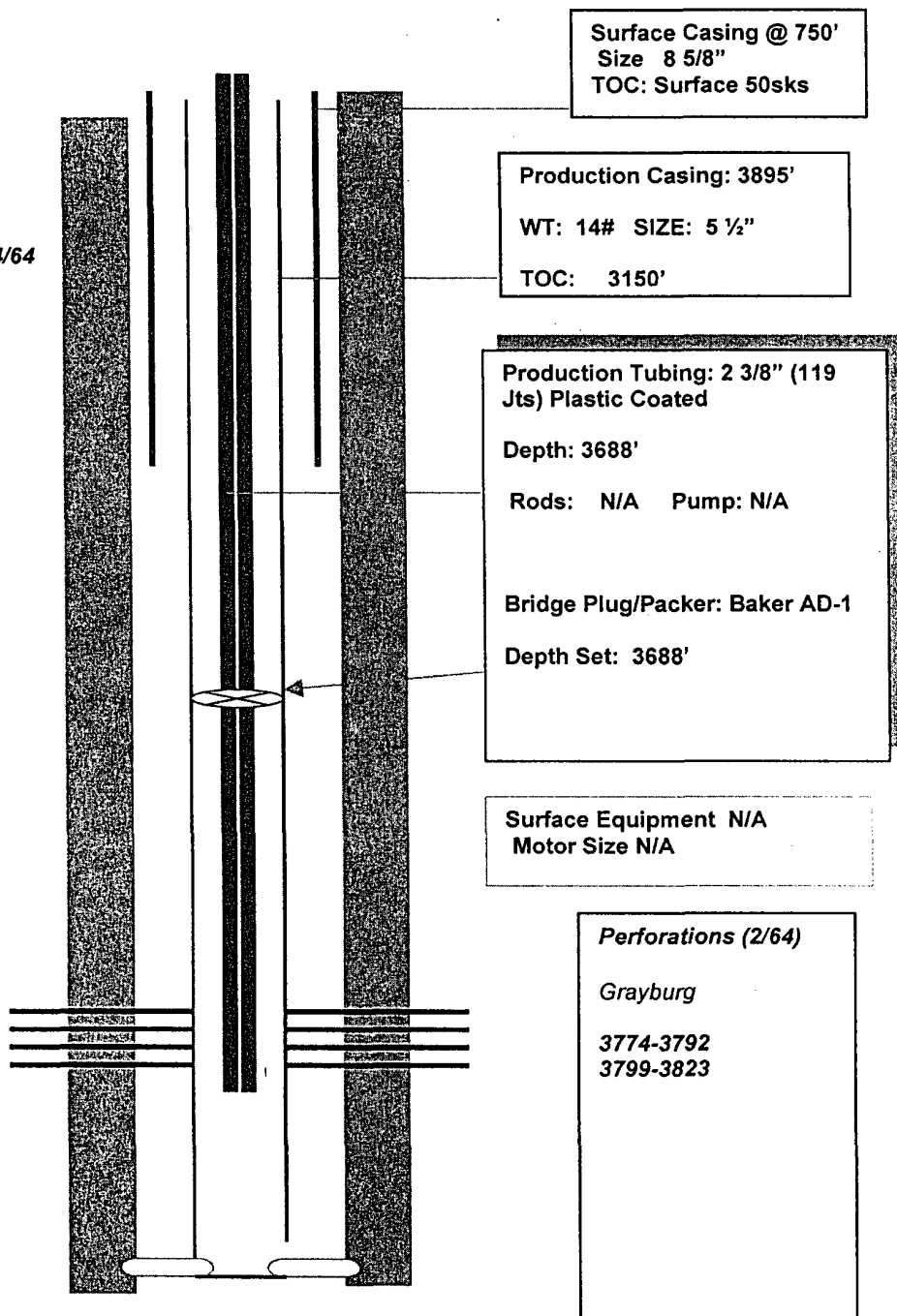
Initial Production: 75 BBLS

Initial Production Date: 2/25/64

Completion Information

**Frac 1360 BBIS Oil and
60,000 lbs Sand**

TD: 3895" GR
PBTD: 3895' GR



MERIDIAN OIL

Copy For Well File

JANUARY 27, 1994

**MR. BEN STONE
OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501-2088**

**RE: REPLACEMENT PLAT YOU REQUESTED
FOR C-108 APPLICATION FOR PERMIT TO INJECT
TO AMEND ORDER NO. WFX-628**

**SOUTHLAND ROYALTY COMPANY
KENWOOD NO. 3 (LC-029387) - FEDERAL
F, SEC. 29, T-18-S, R-31-E
SHUGART-YATES-SR-QN-GB POOL
EDDY COUNTY, NEW MEXICO**

**SOUTHLAND ROYALTY COMPANY
MONTEREY B STATE NO. 4 (E-6957) - STATE
F, SEC. 32, T-18-S, R-36-E
SHUGART-YATES-SR-QN-GB POOL
EDDY COUNTY, NEW MEXICO**

DEAR MR. STONE:

**ON DECEMBER 17, 1993 YOU CALLED ME AND REQUESTED WE SUBMIT
THE ENCLOSED PLAT TO REPLACE THE PREVIOUSLY SUBMITTED PLAT
FOR THE CAPTIONED APPLICATION.**

**IF YOU REQUIRE ADDITIONAL INFORMATION IN ORDER TO PROCESS
THIS APPLICATION, PLEASE CALL ME AT A/C 915-688-6906/**

SINCERELY,

Maria L. Perez

**MARIA L. PEREZ
PRODUCTION ASST.**

XC: WELL FILE

IN ORDER TO CUT DOWN PAPER COST , PRODUCTION SERVICES REQUESTS THAT YOU ROUTE THIS REGULATORY COPY AMONG THE VARIOUS DEPARTMENTS. PLEASE EXPEDITE THE ROUTING OF THIS DOCUMENT TO EACH DEPARTMENT. SHOULD YOU REQUIRE YOUR OWN COPY, PLEASE CALL MARIA PEREZ- PRODUCTION SERVICE'S AT EXT. 6906

ROUTING:

1. RICK SOPER -PROD. ENGR. - (ARTESIA AREA)
2. NANCY KILGORE - RESV. ENGR'G DEPT.
3. LAND DEPT.
4. JT. INT.- (KEEP FOR JT INT DISTRIBUTION)

DISTRIBUTION:

WELL FILE

ARTESIA FIELD OFFICE

OCD-SANTA FE (ORIG. + ONE COPY)

OCD-ARTESIA

NM STATE LAND OFFICE

BLM-CARLSBAD

OFFSET OPERATORS (5)

PRODUCTION SERVICES: (ROUTE)

1. DONNA WILLIAMS
2. CONNIE MALIK
3. STELLA ALVARADO
4. RICHARD ATCHLEY
5. MARIANNE MARTIN
6. MARIA PEREZ

***PLEASE NOTE THAT CENTRAL WELL FILES HAS A PERMANENT FILE COPY OF ALL REGULATORY FILINGS AS WELL AS PRODUCTION SERVICES FILES.**

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: SOUTHLAND ROYALTY COMPANY
Address: P.O. BOX 51810 MIDLAND, TEXAS 79710
Contact party: MARIA L. PEREZ, PROD. ASST. Phone: 915-688-6906
- 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 WFX-628
If yes, give the Division order number authorizing the project R-3431
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- * VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- * VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: R.S. SOPER Title: ENGINEER
Signature: *Rick Soper* Date: 11-5-93
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

MERIDIAN OIL

November 5, 1993

Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501-2088

Re: AMEND ADMINISTRATIVE ORDER NO. WFX-628 AS FOLLOWS:

AMEND INJECTION INTERVAL FOR
SOUTHLAND ROYALTY COMPANY-OPERATOR
KENWOOD NO. 3 (LC-029387)-(FEDERAL)
F, SEC. 29, T-18-S, R-31-E
SHUGART- YATES- SR- QN- GB POOL
EDDY COUNTY, NEW MEXICO

Copy For Well File

TO ADD THE FOLLOWING WELL UNDER ADMINISTRATIVE
ORDER NO. WFX-628 AS PART OF THE WATERFLOOD EXPANSION
PROJECT IN THE SHUGART- YATES- SR- QN- GB POOL
SOUTHLAND ROYALTY COMPANY- OPERATOR
MONTEREY B STATE NO. 4 (E-6957) - (STATE)
EDDY COUNTY, NEW MEXICO (F, SEC. 32, T-18-S, R-36-E)

Gentlemen:

Southland Royalty Company (SRC) requests approval to amend the injection interval for the Kenwood No. 3 from 3,774'-3,823' Grayburg zone to 2,450'-2,550' Yates sand zone. Also, under this same application, Southland Royalty requests approval for authorization to inject and convert from oil to injection the Monterey B State No. 4. The proposed injection interval is the Yates sand 2,624'-2,648'. Attached are the injection well data sheets showing the current and proposed mechanical configuration of these wells. A map is also attached showing the 1/2 mile area of review around each well. The required information from Form C-108 follows.

The proposed injection wells will inject produced water from Southland Royalty leases in the Shugart-Yates- SR- QN- GB Pool. Our estimated initial injection rate will be 500 BWPD. The estimated maximum rate is 1000 BWPD. We anticipate initial injection pressure to be +/- 500 psi and request an operating maximum pressure of 1200 psi

dependent upon step rate tests that will be performed when necessary. The closed injection facilities will be equipped with high/low level head switches and will not operate continuously. No deeper aquifers containing usable quality water are known in this area.

III. Well Data

A. 1 through 4. See 4 attached well data sheets: the first two are the existing data; the second two are the proposed recompletion data.

1. The proposed wells:

(A) Kenwood No. 3

2310' FNL, 1650' FWL, sec. 29, T18S, R31E, Eddy County, NM.

(B) Monterey B State No. 4

1980' FNL, 1980' FWL, sec. 32, T18S, R31E, Eddy County, NM.

2. (A) Surface: 8-5/8", ? # @ 750' in 12-1/4" hole (assumed).

cement with 50 sx, TOC calculated @ 590'.

Production: 5-1/2", 14# @ 3895' in 7-7/8" hole (assumed).

cement with 150 sx, TOC @ 3250' by CBL.

perf 3150' and re-cement with 800 sx, circ 55 sx, TOC @ surface.

(B) Surface: 8-5/8", 24# @ 853' in 11" hole.

cement with 50 sx, TOC calculated @ 593'.

Production: 5-1/2", 15.5# @ 2788' in 7-7/8" hole.

cement with 200 sx, TOC calculated @ 1264'.

3. Injection tubing:

(A) 2-3/8", 4.7#, J-55, internally plastic coated tubing set @ +/- 2350'.

(B) 2-3/8", 4.7#, J-55, internally plastic coated tubing set @ +/- 2525'.

4. Packer

(A) Guiberson Uni V retrievable plastic coated set @ +/- 2350'.

(B) Guiberson Uni V retrievable plastic coated set @ +/- 2525'.

B. (1) Injection formation: Yates sand in both (A) and (B).

(2) Injection interval: (A) perforated +/- 2450'-2500'.

(B) perforated +/- 2600'-2650'.

(3) Both wells (A) and (B) were drilled for production of oil and gas.

(4) Previous perfs:

(A) 3774'-3823', will set CIBP + 35' cement @ +/- 3725'.

(B) There are no other open intervals in this well.

(5) There is no possible higher oil or gas zone in either well (A) or (B).

The next lower oil or gas zone is the Queen located at approximately 3200' in both wells (A) and (B).

IV. This is an expansion of an existing Southland Royalty Company administrative order No. WFX-628 for the Shugart- Yates- Seven Rivers- Queen and Grayburg waterflood project. A copy of the order is attached.

V. Area of review: See attached plat with 1/2 mile radius identified.

VI. Tabulation of data: Wells within area of review.

Southland Royalty Co., Kenwood No. 4
Unit C, sec. 29, T18S, R31E, Eddy Co., NM
spud 5/17/64, TD 3875'
8-5/8" @ 736' w/ 50 sx, TOC calc @ 476'
5-1/2" @ 3875' w/ 150 sx, TOC calc @ 2732'
perf 3784'-3817', frac w/ 52,000 gals + 90,000 lbs
completed 8/7/64 for 150 BOPD + 0 BWPD
perf 3430'-3506', acid w/ 1000 gals, frac w/ 30,000 gals + 30,000 lbs
perf 3200'-24', acid w/ 500 gals, frac w/ 15,000 gals + 25,000 lbs
swadge collapsed casing @ 2504', squeeze leak w/ 400 sx
acid perfs 3784'-3817' w/ 500 gals, acid perfs 3430'-3506' w/ 100 gals
acid perfs 3200'-24' w/ 500 gals
set retainer @ 3100', squeeze w/ 150 sx + 35' on top
set retainer @ 2450', squeeze w/ 100 sx + 35' on top
perf csg @ 1800', set retainer @ 1752', squeeze w/ 100 sx + 35' on top
perf csg @ 910', set pkr @ 610', squeeze w/ 100 sx, tag @ 785'
perf csg @ 736', squeeze & circ w/ 240 sx, P&A well

Southland Royalty Co., Kenwood No. 5
Unit E, sec. 29, T18S, R31E, Eddy Co., NM
spud 5/6/78, TD 3855'
8-5/8" @ 748' w/ 350 sx, circ
5-1/2" @ 3855' w/ 1300 sx, TOC @ 1110' by CBL, bradenhead sqz w/ 150 sx
perf 3754'-84', acid w/ 1000 gals, frac w/ 30,000 gals + 30,000 lbs
perf 3408'-34', acid w/ 1000 gals, frac w/ 40,000 gals + 48,000 lbs
completed 6/25/78 for 35 BOPD + 215 BWPD + 20 MCFD

Southland Royalty Co., Shugart (Apco) A No. 2
Unit B, sec. 29, T18S, R31E, Eddy Co., NM
spud 2/4/42, TD 3729'
8-5/8" @ 768' w/ 50 sx, TOC calc @ 508'
5-1/2" @ 3540' w/ 100 sx, TOC calc @ 2778'
plug back 3729'-3621' w/ Calseal and hydromite
perf 3260'-94', frac w/ 18,000 gals + 40,000 lbs
completed 4/23/42 for 78 BOPD + 0 BWPD
cleanout to 3619', perf 3531'-38', no stimulation, convert to injection
return well back to production

Southland Royalty Co., Kenwood No. 3
Unit F, sec. 29, T18S, R31E, Eddy Co., NM
spud 12/18/63, TD 3895'
8-5/8" @ 750' w/ 50 sx, TOC calc @ 590'
5-1/2" @ 3895' w/ 150 sx, TOC @ 3250' by CBL
perf 3150', squeeze w/ 800 sx, circ 55 sx @ surf
perf 3774'-3823', frac w/ 57,000 gals + 60,000 lbs
completed 2/25/64 for 75 BOPD + 0 BWPD
converted to injection, squeeze hole in csg @ 3521' w/ 200 sx

V.S. Welch, Kenwood No. 1

Unit E, sec. 29, T18S, R31E, Eddy Co., NM

spud 4/6/64, TD 2740', lost hole

8-5/8" @ 810' w/ 75 sx, TOC calc @ 421', pulled 92' out

cmt plug 2525'-2625', 1870'-1890', 750'-850', 10 sx @ surf, P&A well

Southland Royalty Co., Kenwood No. 1Y

Unit E, sec. 29, T18S, R31E, Eddy Co., NM

spud 5/21/63, TD 3938'

8-5/8" @ 732' w/ 75 sx, TOC calc @ 343'

5-1/2" @ 3835' w/ 175 sx, TOC calc @ 2502'

perf 3550'-72', frac w/ 50,000 gals + 60,000 lbs

perf 3724'-62', frac w/ 73,500 gals + 120,000 lbs

completed 8/1/63 for 150 BOPD + 0 BWPD

perf @ 2000', squeeze w/ 100 sx, TOC @ 1950' by temp. survey

perf @ 1175', squeeze w/ 500 sx

perf 3144'-80', acid w/ 250 gals, frac w/ 6,500 gals + 24,000 lbs

Southland Royalty Co., Kenwood No. 2

Unit D, sec. 29, T18S, R31E, Eddy Co., NM

spud 8/10/63, TD 3878'

8-5/8" @ 745' w/ 50 sx, TOC calc @ 485'

5-1/2" @ 3868' w/ 100 sx, TOC calc @ 3106'

perf 3768'-86', frac w/ 55,000 gals + 60,000 lbs

completed 10/5/63 for 70 BOPD + 0 BWPD

perf 3410'-76', acid w/ 1000 gals, frac w/ 15,000 gals + 20,000 lbs

acid w/ 750 gals

perf @ 2110', squeeze w/ 1200 sx, perf @ 1853', squeeze w/ 300 sx

perf @ 1610', squeeze w/ 300 sx, perf @ 1704', squeeze w/ 440 sx

perf @ 1701', squeeze w/ 600 sx, perf @ 1850', squeeze w/ 300 sx, drill out

Southland Royalty Co., Shugart (Apco) A No. 5

Unit G, sec. 29, T18S, R31E, Eddy Co., NM

spud 8/30/70, TD 3960'

8-5/8" @ 776' w/ 375 sx, circ

5-1/2" @ 3965' w/ 325 sx, TOC @ 2750' by temp. survey

perf 2699'-2700', no treatment

perf 3876'-84', 3796'-3806', acid w/ 500 gals, CIBP @ 3710'

perf 3528'-46', acid w/ 2,000 gals, frac w/ 15,000 gals + 15,000 lbs

perf 3270'-3310', acid w/ 2,000 gals, frac w/ 15,000 gals + 15,000 lbs

completed 10/12/70 for 50 BOPD + 2 BWPD

cap CIBP @ 3710' w/ 35' cement, set CIBP @ 3490' + 35' cement

set CIBP @ 3230' + 35' cement, spot 25 sx @ 1960'

perf @ 835', circ 160 sx to surf, spot 20 sx on retainer @ 770'

spot 35 sx 330' to surf., P&A well

Southland Royalty Co., Shugart C No. 3

Unit I, sec. 30, T18S, R31E, Eddy Co. NM

spud 1/16/61, TD 3804'

8-5/8" @ 757' w/ 50 sx, TOC calc @ 497'

set CIBP @ 3430' + 2 sx on top, perf 1550'-51', circ 450 sx to surf, P&A well

Southland Royalty Co., New Mexico Y State No. 3

Unit H, sec. 32, T18S, R31E, Eddy Co., NM

spud 5/24/61, TD 3350'

8-5/8" @ 800' w/ 250 sx, circ

2-7/8" @ 2855' w/ 250 sx, TOC @ 1900' by temp. survey

plug back open hole w/ 2 sx cement and pea gravel to 2900'

perf 2609'-2785', acid w/ 500 gals, frac w/ 15,000 gals + 40,000 lbs

completed 6/30/61 for 360 BOPD + 0 BWPD

Southland Royalty Co., Monterey State No. 1

Unit J, sec. 32, T18S, R31E, Eddy Co., NM

spud 8/8/61, TD 3344'

8-5/8" @ 910' w/ 125 sx, TOC calc @ surf

4-1/2" @ 2844' w/ 160 sx, TOC calc @ 1959'

spot 25 sx plug at 3344', set bridge plug @ 2875', cap w/ 25' gravel + 2 sx cmt

perf 2648'-58', frac w/ 36,000 gals + 120,000 lbs

completed 10/1/61 for 69 BOPD + 0 BWPD

Southland Royalty Co., Monterey B State No. 4

Unit K, sec. 32, T18S, R31E, Eddy Co., NM

spud 1/8/63, TD 2713'

8-5/8" @ 899' w/ 50 sx, TOC calc @ 426'

5-1/2" @ 2708' w/ 100 sx, TOC calc @ 1991'

perf 2624'-48', frac w/ 31,500 gals + 75,000 lbs

completed 2/4/63 for 75 BOPD + 0 BWPD

frac w/ 80,000 gals + 90,000 lbs

Southland Royalty Co., Monterey State No. 5

Unit O, sec. 32, T18S, R31E, Eddy Co., NM

spud 3/9/63, TD 2691'

8-5/8" @ 920' w/ 50 sx, TOC calc @ 447'

5-1/2" @ 2691' w/ 100 sx, TOC calc @ 1974'

perf 2642'-58', frac w/ 30,000 gals + 30,000 lbs

completed 4/4/63 for 80 BOPD + 0 BWPD

convert to injection

pump 150 sx down 5-1/2" x 8-5/8" annulus

Southland Royalty Co., Monterey B State No. 4

Unit F, sec. 32, T18S, R31E, Eddy Co., NM

spud 8/1/60, TD 3681'

8-5/8" @ 853' w/ 50 sx, TOC calc @ 593'

5-1/2" @ 2788' w/ 200 sx, TOC calc @ 1264'

perf 2622'-36', acid w/ 2,000 gals, frac w/ 20,000 gals + 60,000 lbs

completed 10/5/60 for 76 BOPD + 0 BWPD

convert to injection, later returned to production

Southland Royalty Co., Monterey B State No. 2

Unit D, sec. 32, T18S, R31E, Eddy Co., NM

5-1/2" @ 3751' w/ 100 sx, TOC calc @ 2989'
perf 3640'-56', frac w/ 43,000 gals + 72,000 lbs
completed 3/9/61 for 90 BOPD + 40 BWPD
perf 3422'-90', convert to injection
perf 2474'-98', acid w/ 500 gals, squeeze w/ 100 sx,
squeeze csg leaks 2408'-3520' w/ 1550 sx

Southland Royalty Co., Shugart C No. 5
Unit I, sec. 30, T18S, R31E, Eddy Co., NM
spud 8/12/64, TD 3855'
8-5/8" @ 755' w/ 75 sx, TOC calc @ 366'
5-1/2" @ 3852' w/ 150 sx, TOC calc @ 2709'
perf 3740'-82', frac w/ 52,500 gals + 75,000 lbs
completed 10/26/64 for 80 BOPD + 0 BWPD
perf 3621'-31', acid w/ 500 gals, frac w/ 10,000 gals + 17,700 lbs
perf 3400'-70', acid w/ 500 gals, frac w/ 12,000 gals + 10,000 lbs
acid w/ 1,000 gals, set CIBP @ 3580' + 35' cement
set retainer @ 3350', squeeze w/ 100 sx, cap w/ 6 sx on top, TA well

Southland Royalty Co., Shugart D No. 11
Unit H, sec. 30, T18S, R31E, Eddy Co., NM
spud 12/28/77, TD 3840'
8-5/8" @ 771" w/ 350 sx, circ
5-1/2" @ 3840' w/ 1285 sx, TOC @ 1580' by CBL
perf 3739'-68', acid w/ 1,000 gals, frac w/ 30,000 gals + 34,000 lbs
perf 3392'-3406', acid w/ 1,000 gals, frac w/ 40,000 gals + 47,500 lbs
completed 1/22/78 for 115 BOPD + 135 BWPD

Southland Royalty Co., Shugart D No. 4
Unit H, sec. 30, T18S, R31E, Eddy Co., NM
spud 11/13/62, TD 3838'
8-5/8" @ 768' w/ 75 sx, TOC calc @ 370'
5-1/2" @ 3819' w/ 175 sx, TOC calc @ 2840'
perf 3742'-82', frac w/ 50,000 gals + 64,000 lbs
completed 1/11/63 for 300 BOPD + 0 BWPD
perf 3626'-32', acid w/ 500 gals, frac w/ 7,400 gals + 10,000 lbs
perf 3404'-70', acid w/ 1,500 gals, frac w/ 8,800 gals + 10,000 gals
frac 3404'-70' w/ 20,000 gals + 20,000 lbs
csg parted @ 2160', squeeze w/ 300 sx, left 50' on retainer @ 1958'
perf @ 700', circ 225 sx to surf inside and out, drill out

Southland Royalty Co., Shugart A No. 1
Unit M, sec. 30, T18S, R31E, Eddy Co., NM
spud 1/14/60, TD 3740'
8-5/8" @ 632' w/ 50 sx, TOC calc @ 372'
7" @ 3662' w/ 150 sx, TOC @ 1804' by CBL
5-1/2" @ 3633'-3740' w/ 20 sx, TOC calc @ 3633'
perf 3595'-3669', frac w/ 22,000 gals + 55,000 lbs
completed 4/1/60 for 200 BOPD + 0 BWPD
perf 3190'-3216', acid w/ 500 gals, frac w/ 20,000 gals + 25,000 lbs

perf 3430'-54', acid w/ 500 gals, frac w/ 20,000 gals + 25,000 lbs
acid 3595'-3626' w/ 250 gals
acid 3430'-3669' w/ 1,000 gals, frac w/ 18,000 gals + 39,000 lbs
acid 3430'-54' w/ 1,500 gals, frac w/ 9,000 gals + 19,500 lbs
acid 3190'-3216' w/ 1,000 gals, frac w/ 7,500 gals + 19,500 lbs
perf 2594'-2620', acid w/ 1,000 gals, frac w/ 14,500 gals + 44,000 lbs

Southland Royalty Co., Shugart A No. 2
Unit N, sec. 29, T18S, R31E, Eddy Co., NM
spud 4/6/60, TD 3724'
8-5/8" @ 784' w/ 60 sx, TOC calc @ 328'
7" @ 3688' w/ 160 sx, TOC calc @ 2057'
perf 3616'-42', frac w/ 12,800 gals + 25,000 lbs
completed 6/9/60 for 150 BOPD + 0 BWPD
perf 3448'-70', acid w/ 500 gals, frac w/ 20,000 gals + 24,000 lbs
perf 3202'-34', acid w/ 500 gals, frac w/ 20,000 gals + 24,000 lbs
perf 2588'-2612', acid w/ 1,000 gals, frac w/ 14,200 gals + 29,700 lbs

Southland Royalty Co., Shugart A No. 4
Unit K, sec. 29, T18S, R31E, Eddy Co., NM
spud 6/23/60, TD 3734'
8-5/8" @ 775' w/ 50 sx, TOC calc @ 515'
5-1/2" @ 3734' w/ 285 sx, TOC @ 2447' by temp. survey
perf 3636'-54', frac w/ 42,000 gals + 60,000 lbs, plug back to 2720'
perf 2538'-54', frac w/ 39,000 gals + 68,000 lbs
completed 9/1/60 for 180 BOPD + 0 BWPD
clean out, perf 3220'-3478', acid w/ 1,000 gals, frac w/ 40,000 gals + 40,000 lbs
set CIBP @ 3200', convert to Yates injector

Southland Royalty Co., Shugart A No. 5
Unit L, sec. 29, T18S, R31E, Eddy Co., NM
spud 8/4/60, TD 3805', orig. TD 3762'
8-5/8" @ 691' w/ 75 sx, TOC calc @ 302'
7" @ 2725' w/ 100 sx, TOC calc @ 1112'
4-1/2" @ 3805' w/ 300 sx, TOC @ 2200' by temp. survey
perf 2540'-55', frac w/ 36,000 gals + 60,000 lbs
completed 11/1/60 for 100 BOPD + 0 BWPD
perf @ 736', circ cement to surf w/ 100 sx
squeeze perfs 2540'-55' w/ 200 sx, deepen to 3805", run 4-1/2" csg
perf @ 3700', squeeze w/ 35 sx, perf @ 3344', squeeze w/ 35 sx
perf @ 3122', squeeze w/ 50 sx, cement 4-1/2" x 7" annulus w/ 240 sx
perf 3748'-84', acid w/ 1,000 gals, frac w/ 21,300 gals + 29,500 lbs
perf 3418'-84', acid w/ 1,000 gals, frac w/ 31,400 gals + 44,000 lbs
perf 3174'-3222', acid w/ 1,650 gals, frac w/ 32,100 gals + 44,500 lbs
perf 3572'-3635', acid w/ 1,500 gals

Southland Royalty Co., Shugart A No. 6
Unit J, sec. 29, T18S, R31E, Eddy Co., NM
spud 2/28/61, TD 2649'
8-5/8" @ 777' w/ 50 sx, TOC calc @ 398'

7" @ 2649' w/ 75 sx. TOC calc @ 2217'
perf 2560'-85', frac w/ 40,000 gals + 55,000 lbs
completed 4/4/61 for 110 BOPD + 0 BWPD
dump 350 gals acid down backside

Southland Royalty Co., Shugart A No. 10
Unit J, sec. 29, T18S, R31E, Eddy Co., NM
spud 4/15/91, TD 4010'
8-5/8" @ 507' w/ 350 sx, circ
5-1/2" @ 4010" w/ 1070 sx, circ
perf 3862'-76', acid w/ 1300 gals, frac w/ 6000 gals + 18,000 lbs, CIBP @ 3820'
perf 3680'-3710', acid w/ 1000 gal, frac w/ 8000 gals+53900 lbs, CIBP @ 3650'
perf 3522'-89', acid w/ 1,000 gals, frac w/ 16,000 gals + 46,500 lbs
perf 3270'-3314', acid w/ 1,000 gals, frac w/ 14,000 gals + 42,700 lbs
perf 2566'-88', acid w/ 1,000 gals, frac w/ 12,000 gals + 26,700 lbs
completed 10/10/91 for 9 BOPD + 25 BWPD + 5 MCFD

Southland Royalty Co., Shugart A No. 11
Unit N, sec. 29, T18S, R31E, Eddy Co., NM
spud 4/23/91, TD 3921'
8-5/8" @ 520' w/ 450 sx, circ
5-1/2" @ 3921' w/ 1275 sx, circ
perf 3783'-97', acid w/ 1,300 gals, CIBP @ 3750'
perf 3606'-31', acid w/ 1,000 gals, frac w/ 11,500 gals + 32,000 lbs
perf 2574'-96', acid w/ 1,000 gals, frac w/ 6,300 gals + 4,000 lbs
completed 10/10/91 for 25 BOPD + 8 BWPD + 5 MCFD

Southland Royalty Co., Shugart A No. 8
Unit N, sec. 29, T18S, R31E, Eddy Co., NM
spud 5/31/61, TD 2692'
8-5/8" @ 27' w/ 10 sx, TOC calc @ surf
4-1/2" @ 2692' w/ 250 sx, TOC @ 1795' by CBL
perf 2590'-2610', frac w/ 42,000 gals + 54,000 lbs
completed 6/16/61 for 100 BOPD + 0 BWPD
convert to injection, set retainer @ 2541', squeeze w/ 100 sx + 50 sx on top
tag plug @ 1690', perf @ 550', squeeze w/ 225 sx, circ cement to surf
P&A well 10/7/82

Southland Royalty Co., New Mexico Y State No. 1
Unit G, sec. 32, T18S, R31E, Eddy Co., NM
spud 1/16/61, TD 3735'
8-5/8" @ 900' w/ 200 sx, TOC calc @ surf
2-7/8" @ 3735' w/ 160 sx, TOC calc @ 2820'
2-7/8" @ 2806' w/ 250 sx, TOC @ 1600' by temp. survey
perf 2615'-41', frac w/ 15,000 gals + 55,000 lbs
completed 3/1/61 for 148 BOPD + 0 BWPD
perf 3468'-3683', frac w/ 25,000 gals + 45,000 lbs
completed 3/31/61 for 21 BOPD + 70 BWPD
acid 2615'-41' w/ 250 gals, acid 3468'-90' w/ 500 gals
fill short string w/ 100 sx, circ cement to surf

spud 8/12/59, TD 3500'
8-5/8" @ 805' w/ 50 sx, TOC calc @ 645'
5-1/2" @ 3500' w/ 240 sx, TOC calc @ 2023'
perf 3448'-62', frac w/ 20,000 gals + 80,000 lbs
completed 10/25/59 for 62 BOPD + 0 BWPD
perf 2632'-40', frac w/ 10,000 gals + 10,000 lbs
perf 3214'-40', acid w/ 500 gals
perf 2566'-76', acid w/ 750 gals,
dump 250 gals acid down csg, acid w/ 1,000 gals X-25 + 1,500 gals acid

Southland Royalty Co., Monterey B State No. 3
Unit C, sec. 32, T18S, R31E, Eddy Co., NM
spud 1/21/60, TD 3676'
8-5/8" @ 801' w/ 150 sx, TOC calc @ 22'
7" @ 3676' w/ 200 sx, TOC @ 2318' by temp. survey
perf 2620'-32', frac w/ 20,000 gals + 60,000 lbs
completed 12/31/60 for 37 BOPD + 0 BWPD
squeeze perfs 2620'-32' w/ 100 sx
perf 3630'-40', acid w/ 500 gals
perf 3448'-64', acid w/ 750 gals, frac w/ ? gals + 23,000 lbs
perf 3204'-32', acid w/ 750 gals, frac w/ ? gals + 23,000 lbs

Southland Royalty Co., New Mexico Y State No. 4
Unit M, sec. 32, T18S, R31E, Eddy Co., NM
spud 2/26/65, TD 3602'
8-5/8" @ 872' w/ 350 sx, TOC near surf, top off w/ 5 yds pea gravel + 10 sx cmt
4-1/2" @ 3576' w/ 380 sx, TOC @ 2030' by temp. survey
perf 2596'-3483', acid w/ 2,000 gals, frac w/ 30,000 gals + 6,000 lbs
completed 7/1/66 for 3 BOPD + 12 BWPD

Southland Royalty Co., Monterey B State No. 1
Unit N, sec. 32, T18S, R36E, Eddy Co., NM
spud 12/18/58, TD 3548'
8-5/8" @ 296' w/ 100 sx, circ
4-1/2" @ 3548' w/ 150 sx, TOC calc @ 2405'
perf 3264'-91', 3487'-3500', acid w/ 750 gals, frac w/ 20,000 gals + 20,000 lbs
completed 1/25/59 for 62 BOPD + 0 BWPD
set CIBP @ 2900', perf @ 2897', squeeze w/ 173 sx, TOC @ 1965' by tmp surv
perf 2582'-90', acid w/ 250 gals, frac w/ 10,000 gals + 20,000 lbs
dump 250 gals acid down csg

Yates Petroleum Co., Mesquite QG State No. 1
Unit L, sec. 32, T18S, R31E, Eddy Co., NM
spud 5/30/81, TD 3800'
8-5/8" @ 800' w/ 625 sx, circ
35 sx plug 3300'-3750', 70 sx plug 2626'-2750', 15 sx plug 2316'-2626'
25 sx plug @ 2100', 25 sx plug @ 900', 15 sx plug @ surf, well P&A 11/24/81

W.E. Bakke, Monterey State No. 2-1
Unit I, sec. 32, T18S, R31E, Eddy Co., NM

spud 11/23/61, TD 2713'
8-5/8" @ 908' w/ 25 sx, TOC calc @ 778'
cut and pulled 8-5/8" csg @ 727'
25 sx plug 2634'-2713', 25 sx plug 870'-950', 25 sx plug 697'-757', 5 sx @ surf =

W.E. Bakke, Monterey State No. 3
Unit E, sec. 32, T18S, R31E, Eddy Co., NM
spud 4/7/62, TD 3677'
8-5/8" @ 867' w/ 50 sx, TOC calc @ 607'
cut and pulled 8-5/8" csg @ 686'
35 sx plug 3560'-3677', 25 sx plug 2530'-2605', 20 sx plug 834'-901'
20 sx plug 655'-722', 5 sx @ surf

Energy Resources Corp., State 32 No. 1
Unit B, sec 32, T18S, R31E, Eddy Co., NM
spud 8/6/60, TD 3670'
8-5/8" @ 950' w/ 50 sx, TOC calc @ 690'
5-1/2" @ 3670' w/ 350 sx, TOC calc @ 1003'
perf 3649'-60', acid w/ 500 gals, frac w/ 12,000 gals + 30,000 lbs
perf 3477'-86', acid w/ 500 gals, frac w/ 14,700 gals + 40,000 lbs
perf 2622'-34', acid w/ 500 gals, frac w/ 25,000 gals + 30,000 lbs
completed 2622'-34' on 9/29/60 for 100 BOPD + 0 BWPD
completed 3477'-3660' on 12/8/60 for 95 BOPD + 31 BWPD

VII. Proposed Operation:

1. Estimated average injection rate is 500 BWPD.
Estimated maximum daily rate is 1000 BWPD.
2. This will be a closed system.
3. Estimated average injection pressure is 500 psi.
Estimated maximum injection pressure is 1200 psi subject to step rate tests.
4. The source of the injected water is the produced water from the Shugart-Yates- SR- QN- GB Pool. Since this water is being injected into the Yates, no incompatibility is expected. See attached water analysis.
5. Water injection will be into a zone currently productive of oil and gas.

VIII. Geological Data:

The proposed zone for injection is the Yates formation at 2500'. This Permian Age reservoir is structural nose containing sand bodies interspersed by anhydrite boundaries. These sand lenses, though continuous across the field, have widely varying porosities and must have 15% porosity or greater to produce. The average porosity around the proposed wells is 15-20%. The Yates formation in this area runs 500'-600' in total thickness though the actual productive interval only 20'-30' in thickness.

There are no known underlying sources of potable water below the Yates. The only fresh water sources located above are from an approximate depth of 100'-150'.

IX. Proposed Stimulation

The proposed stimulation program is a 1000-2000 gallon acid job followed by a 10,000-20,000 gallon + 20,000 lbs frac job.

X. Log Data

A log section for the proposed wells is attached indicating the planned perfs.

XI. Fresh Water Analysis

No fresh water wells were found within a 1 mile radius of the proposed injection wells. A copy of the water analysis from the injection wells is attached.

XII. Hydrologic Communication

There is no known evidence of faulting or other hydrologic communication between potential fresh water aquifers and the desired injection zone.

XIII. Proof of Notice

The offset operators, ^{and surface owners} list attached, were notified by certified-return receipt mail on November 5, 1993.

XIV. Certification is on Form C-108.

If you need any additional information or if you have any questions, please contact me at 915-688-6960.

Sincerely,


Rick S. Soper
Engineer

Other contact person:
Maria L. Perez
Production Asst.
A/C 915-688-6906

XC: Offset Operators
Surface Owners
OCD-Artesia
NM State Land Office

INJECTION WELL DATA SHEET

SIDE 1

SOUTHLAND ROTALTY COMPANY		KENWOOD		
OPERATOR	2310' FNL, 1650' FWL	LEASE	18S	31E
3		29		
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP	RANGE

SchematicTubular DataSurface Casing

Size 8-5/8 " Cemented with 50 sx.
 TOC 590 feet determined by CALC.
 Hole size 12-1/4"

Intermediate Casing

Size _____ " Cemented with _____ sx.
 TOC _____ feet determined by _____
 Hole size _____

Long String

Size 5-1/2 " Cemented with 150 sx.
 TOC 3250 feet determined by CBL
 Hole size 7-7/8"
 Total Depth 3895'

Injection Interval

+/-2450' feet to +/- 2500' feet
 (perforated or open-hole, indicate which)

SEE ATTACHED DIAGRAM

INJECTION WELL DATA SHEET

SIDE 2

KENWOOD #3

Tubing size 2-3/8" lined with PLASTIC COATED set in a
(material)
GUIBERSON UNI V OR EQUIV. packer at +/- 2350' feet
(brand and model)
(or describe any other casing-tubing seal).

OTHER DATA

1. Name of the injection formation YATES
2. Name of Field or Pool (if applicable) SHUGART
3. Is this a new well drilled for injection? YES ☒ NO
If no, for what purpose was the well originally drilled? OIL PRODUCER
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used)
PERFS 3774'-3823', SET RETAINER @ +/- 3100' AND SQUEEZE W/
150 SX + 35' ON TOP
5. Give the depth to and name of any overlying and/or gas zones (pools) in this area.
NO OVERLYING ZONES ABOVE OR GAS ZONES BELOW

ATTACHMENT TO FORM C-108 (III)

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB)

DATE SPUD: 12/18/83 COMP: 2/25/84

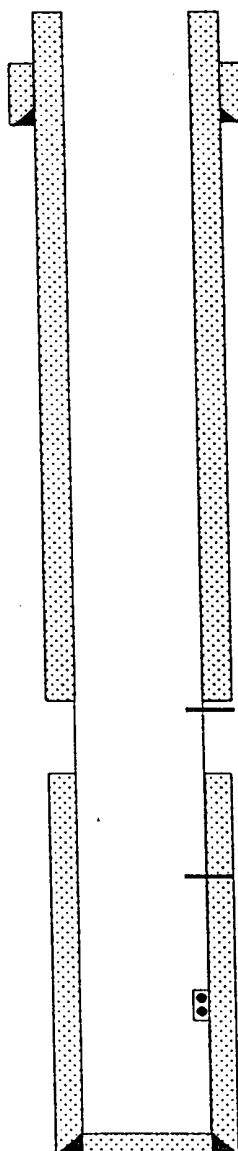
LEASE: KENWOOD

WELL NO. 3

ELEVATION:

LOCATION: Unit F, Sec. 29, T-18-S, R-31-E

Eddy County, New Mexico



8 5/8" @ 750'
CEMENT W/ 50 sx
TOC: 590' (Calc.)
In 11" Hole

Perf @ 3150', squeeze w/
800 sx, circ. to surf.

TOC @ 3,250' by CBL

Squeeze leak @ 3521' w/ 200 sx

Grayburg Perfs 3774'-3823'

5 1/2" @ 3,895'
Cement w/ 150 sx
In 7 7/8" Hole

CURRENT CONFIGURATION

TD: 3,895'

ATTACHMENT TO FORM C-108 (III)

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB)

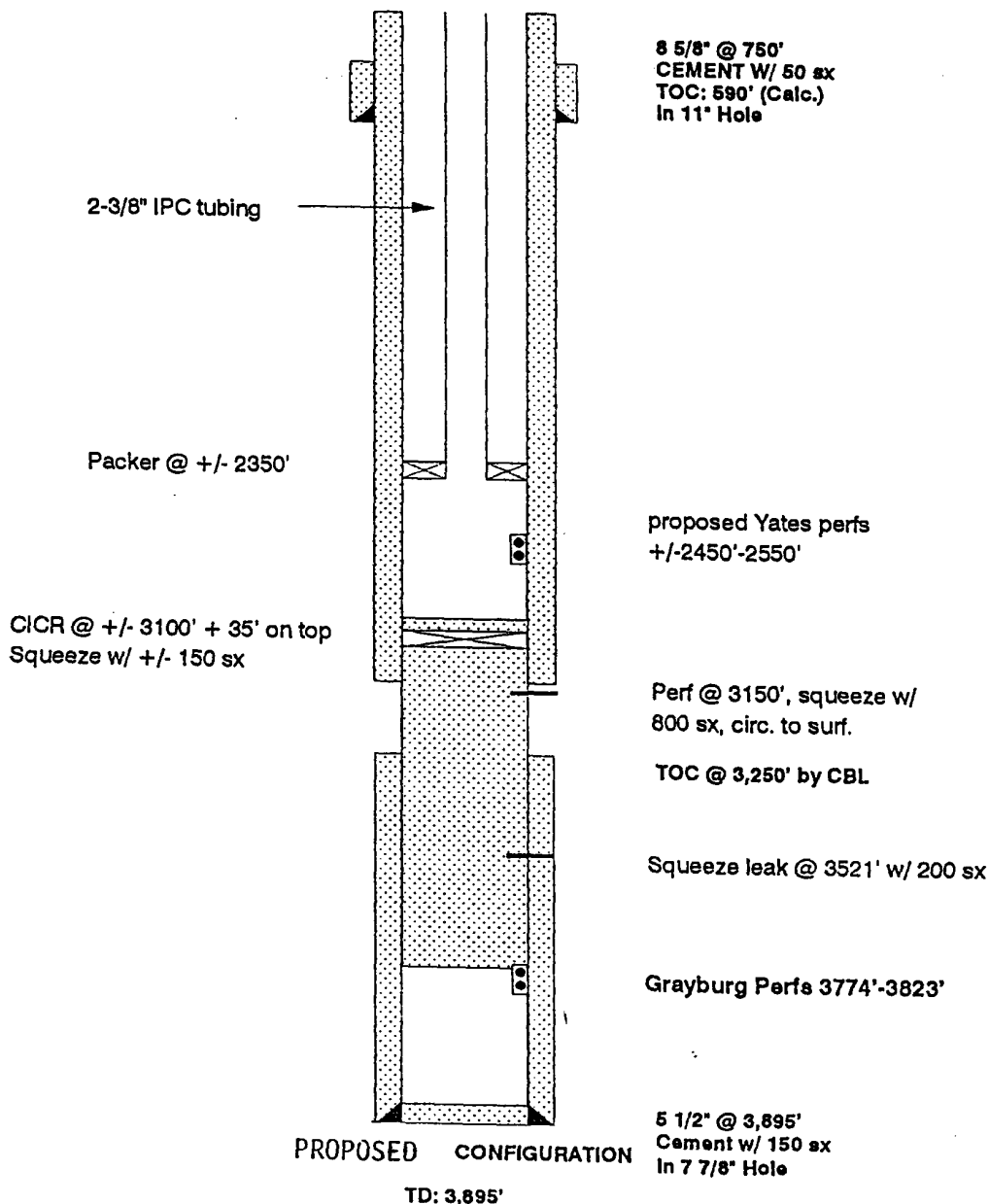
DATE SPUD: 12/18/63 COMP: 2/25/64

LEASE: KENWOOD WELL NO. 3

ELEVATION: _____

LOCATION: Unit F, Sec. 29, T-18-S, R-31-E

Eddy County, New Mexico



ATTACHMENT TO FORM C-108 (III)

INJECTION WELL DATA SHEET

SIDE 1

SOUTHLAND ROYALTY COMPANY		MONTEREY B STATE		
OPERATOR		LEASE		
4	1980' FNL, 1980' FWL	32	17S	31E
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP	RANGE

Schematic

Tubular Data

Surface Casing

Size 8-5/8 " Cemented with 50 sx.
 TOC 593 feet determined by CALC.
 Hole size 11"

Intermediate Casing

Size _____ " Cemented with _____ sx.
 TOC _____ feet determined by _____
 Hole size _____

Long String

Size _____ " Cemented with 200 sx.
 TOC 1264' feet determined by CALC.
 Hole size 7-7/8"
 Total Depth 2713'

Injection Interval

+/- 2600 feet to 2650 feet
 (perforated or open-hole, indicate which)

SEE ATTACHED DIAGRAM

INJECTION WELL DATA SHEET

SIDE 2
MONTEREY B STATE #4

Tubing size 2-3/8" lined with PLASTIC COATED set in a
GUIBERSON UNI V OR EQUIV. packer at +/- 2525' feet
 (brand and model)
 (or describe any other casing-tubing seal).

OTHER DATA

1. Name of the injection formation YATES
2. Name of Field or Pool (if applicable) SHUGART
3. Is this a new well drilled for injection? YES X NO
 If no, for what purpose was the well originally drilled? OIL PRODUCER
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used)
NO
5. Give the depth to and name of any overlying and/or gas zones (pools) in this area.
NO OVERLYING ZONES ABOVE OR GAS ZONES BELOW.

ATTACHMENT TO FORM C-108 (III)

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB)

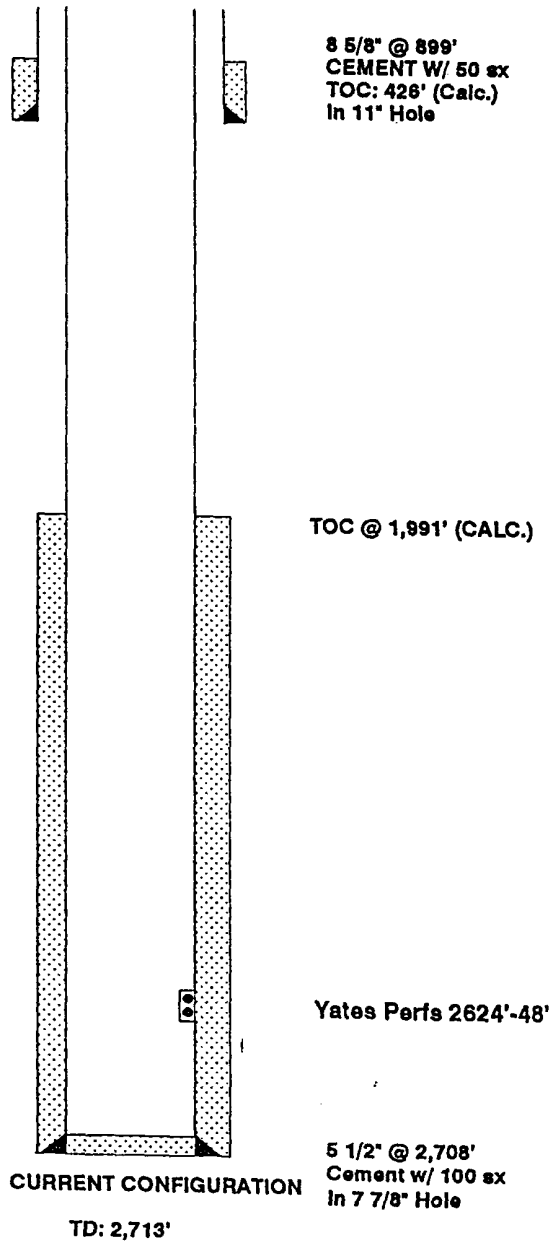
DATE SPUD: 1/8/63 COMP: 2/4/63

LEASE: MONTEREY B STATE WELL NO. 4

ELEVATION: _____

LOCATION: Unit K, Sec. 32, T-18-S, R-31-E

Eddy County, New Mexico



MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB)

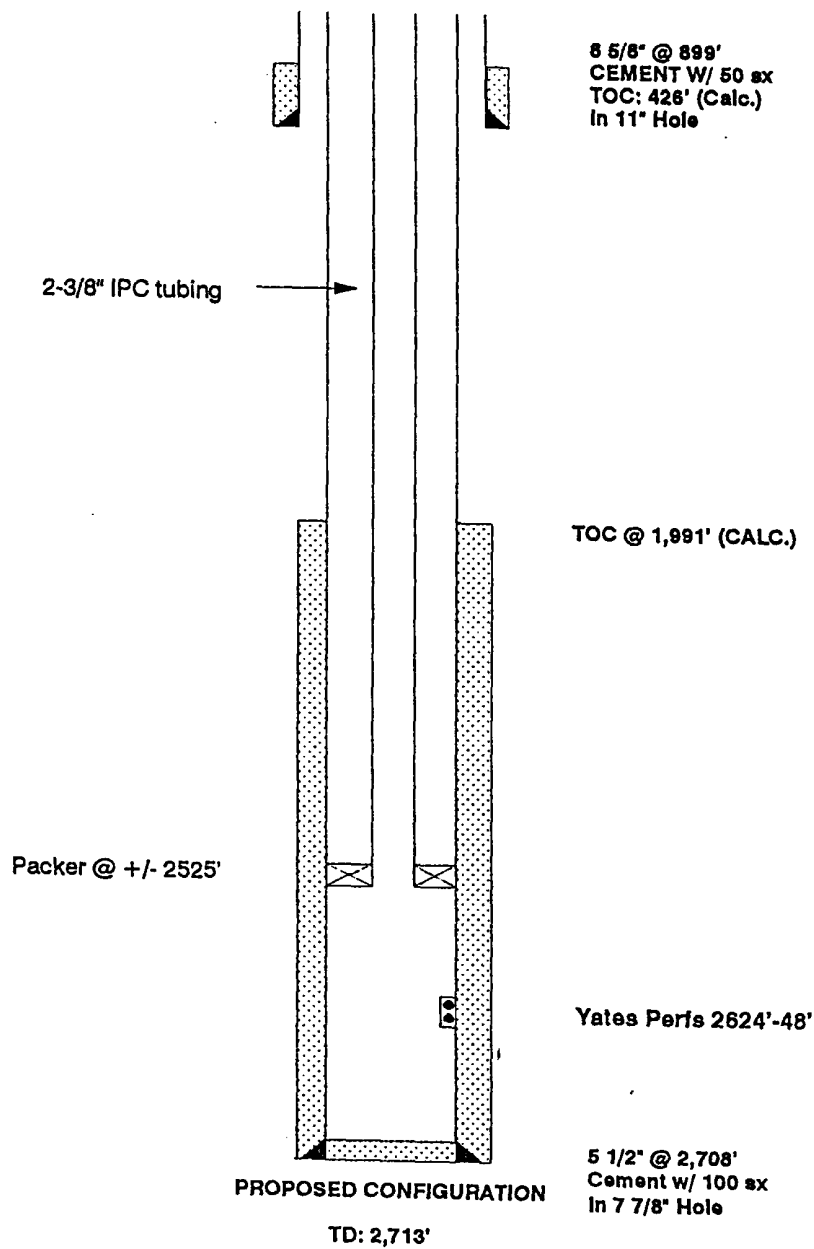
LEASE: MONTEREY B STATE WELL NO. 4

LOCATION: Unit K, Sec. 32, T-18-S, R-31-E

Eddy County, New Mexico

DATE SPUD: 1/8/83 COMP: 2/4/83

ELEVATION:





BRUCE KING
GOVERNOR

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Attachment to Form C-108 (IV)

(Previous Authority)



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER NO. WFX-628

*APPLICATION OF MERIDIAN OIL COMPANY TO EXPAND ITS WATERFLOOD
PROJECT IN THE SHUGART POOL IN EDDY COUNTY, NEW MEXICO*

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-3431, Meridian Oil Company has made application to the Division on February 17, 1992, for permission to expand its Shugart - Yates, Seven Rivers, Queen and Grayburg Waterflood Project in the Shugart Pool in Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection well is eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced Shugart - Yates, Seven Rivers, Queen and Grayburg Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

MERIDIAN OIL
MIDLAND REGION

APR 13 1992

ENVIRONMENTAL/SAFETY

IT IS THEREFORE ORDERED THAT:

The applicant, Meridian Oil Company, be and the same is hereby authorized to inject water into the Yates formation at approximately 2538 feet to approximately 2554 feet through 2 3/8 inch plastic lined tubing set in a packer at approximately 2438 feet in the following described well shown on Exhibit "A" attached hereto for purposes of secondary recovery to wit.

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 into subject well, operator shall either cement squeeze the production casing string or plug and abandon the Kenwood No. 3, in a manner satisfactory to the supervisor or the Artesia District Office.

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 408 psi. or .2 psi/ft. of depth to the uppermost perforation.

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 Yates 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 injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

Administrative Order WFX-628
Meridian Oil Company
April 8, 1992
Page 3

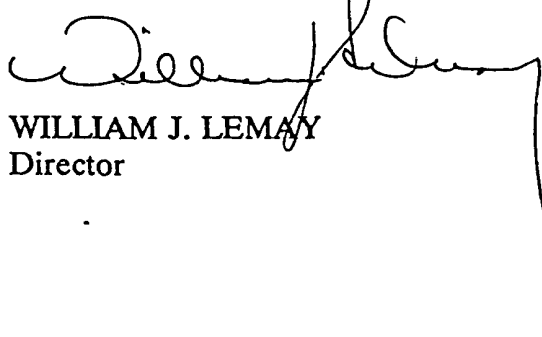
The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject well shall be governed by all provisions of Division Order No. R-3431, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

DONE at Santa Fe, New Mexico, on this 8th day of April, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

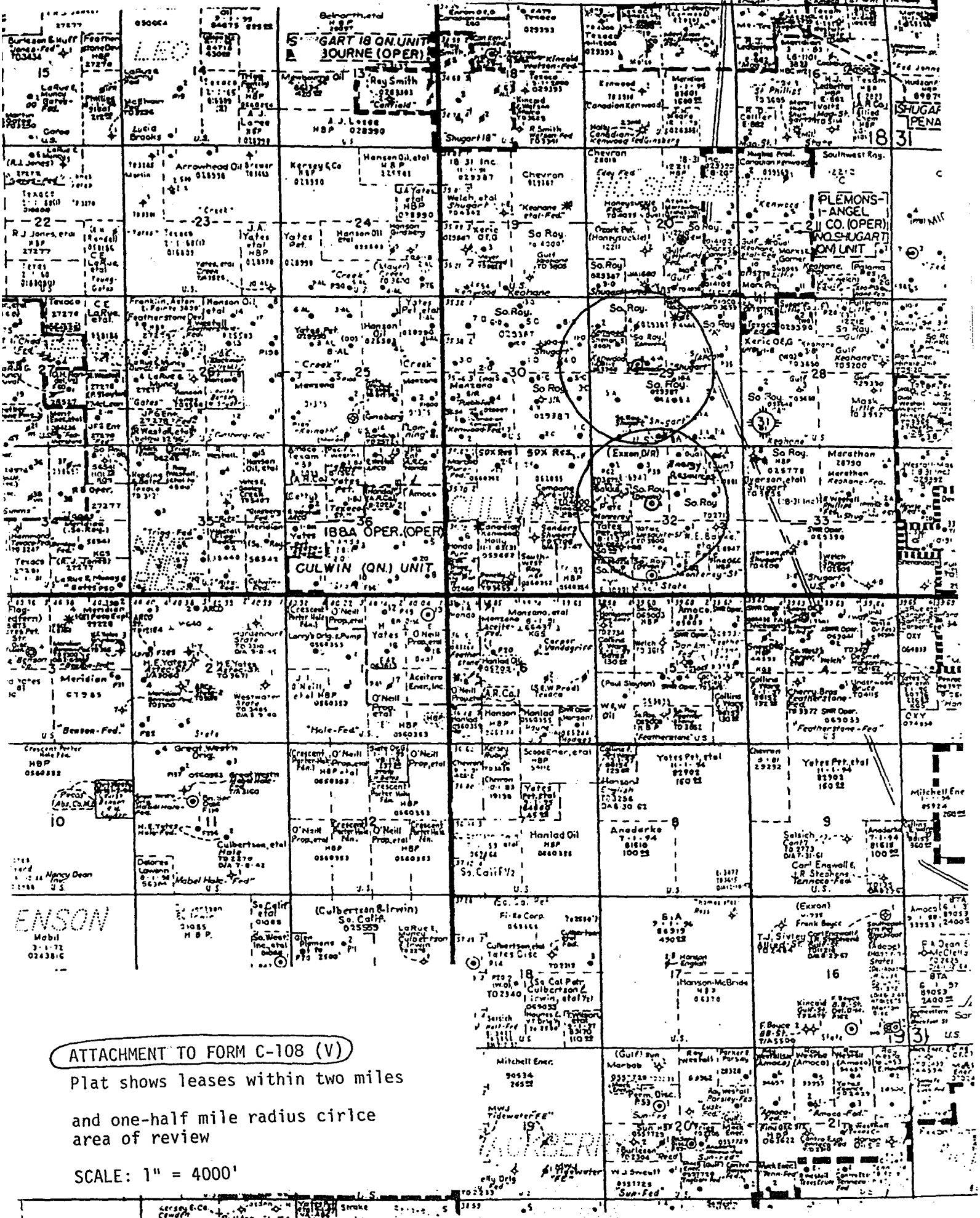
jc/

cc: Oil Conservation Division - Artesia

EXHIBIT "A"
DIVISION ORDER NO. WFX-628
SHUGART-YATES, SEVEN RIVERS, QUEEN AND GRAYBURG WATERFLOOD PROJECT
APPROVED INJECTION WELLS

<i>Well Number</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>	<i>Injection Pressure</i>
SHUGART "A" No. 4	1650' FSL - 2310' FWL	K	29-18S-31E	2538' - 2554'	2438'	2 3/8"	408 PSIG

Located in Eddy County, New Mexico



ATTACHMENT TO FORM C-108 (V)

Plat shows leases within two miles
and one-half mile radius circle
area of review

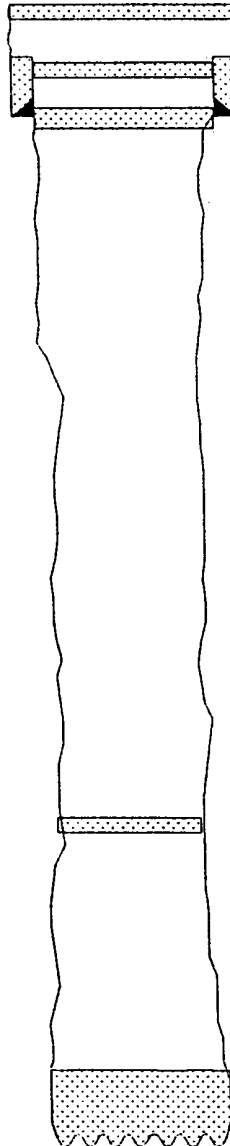
SCALE: 1" = 4000'

ATTACHMENT TO FORM C-108 (VI)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

W. E. BAKKE

FIELD: SHUGART (Y, 7R, QN, GB) DATE SPUD: 4/7/62 COMP: _____
LEASE: MONTEREY STATE WELL NO. 3 ELEVATION: _____
LOCATION: Unit E; SEC. 32, T-18-S, R-31-E
Eddy County, New Mexico

5 SX SURF.
20 SX 655'-722'
20 SX 834'-901'



CUT & PULL CSG @ 686'
8 5/8" @ 867'
CEMENT W/ 50 sx
TOC: 607' (CALC.)
In 11" Hole

25 SX 2530'-2605'

35 SX 3560'-3677'

CURRENT CONFIGURATION

In 7 7/8" Hole

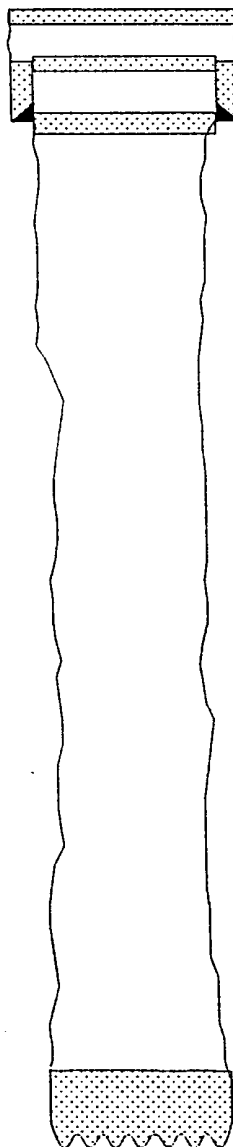
TD: 3,677'

ATTACHMENT TO FORM C-108 (VT)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

W. E. BAKKE

FIELD: SHUGART (Y, 7R,QN,GB) DATE SPUD: 11/23/61 COMP:
LEASE: MONTEREY STATE WELL NO. 2-1 ELEVATION:
LOCATION: Unit I; SEC. 32, T-18-S, R-31-E
Eddy County, New Mexico

5 SX SURF.
25 SX 697'-757'
25 SX 870'-950'



CUT & PULL CSG @ 727'

8 5/8" @ 908'
CEMENT W/ 25 sx
TOC: 778' (CALC.)
In 11" Hole

25 SX 2634'-2713'

CURRENT CONFIGURATION

In 7 7/8" Hole

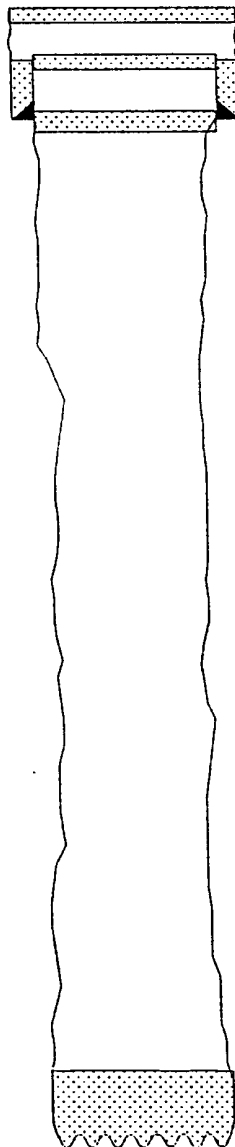
TD: 2,713'

ATTACHMENT TO FORM C-108 (VI)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

W. E. BAKKE

FIELD: SHUGART (Y, 7R, QN, GB) DATE SPUD: 11/23/61 COMP: _____
LEASE: MONTEREY STATE WELL NO. 2-1 ELEVATION: _____
LOCATION: Unit I; SEC. 32, T-18-S, R-31-E
Eddy County, New Mexico

5 SX SURF.
25 SX 697'-757'
25 SX 870'-950'



CUT & PULL CSG @ 727'

8 5/8" @ 908'
CEMENT W/ 25 sx
TOC: 778' (CALC.)
In 11" Hole

25 SX 2634'-2713'

CURRENT CONFIGURATION

TD: 2,713'

In 7 7/8" Hole

ATTACHMENT TO FORM C-108 (VI)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

V. S. WELCH

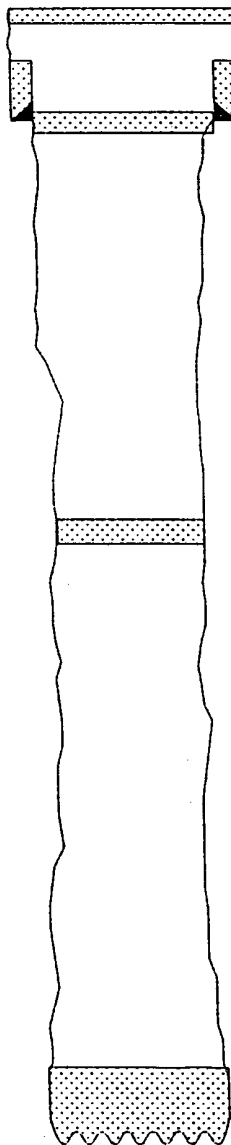
FIELD: SHUGART (Y, 7R, QN, GB) DATE SPUD: 4/6/64 COMP: _____
LEASE: KENWOOD WELL NO. 1 ELEVATION: _____
LOCATION: Unit E; SEC. 29, T-18-S, R-31-E
Eddy County, New Mexico

10 SX SURF.

25 SX 750'-850'

25 SX 1870'-1890'

25 SX 2525'-2625'



CUT & PULL CSG @ 92'

8 5/8" @ 810'
CEMENT W/ 75 sx
TOC: 421' (CALC.)
In 11" Hole

CURRENT CONFIGURATION

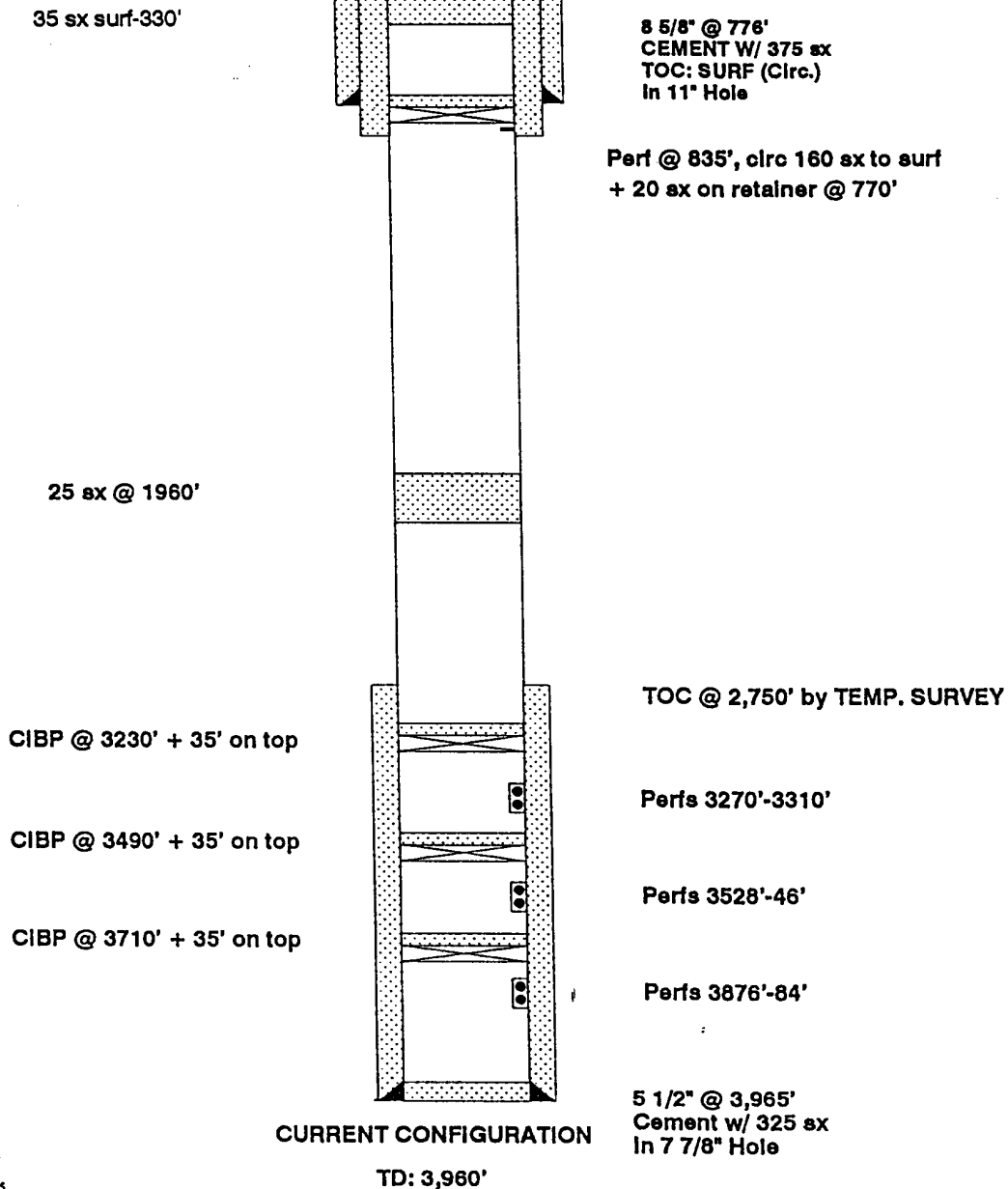
In 7 7/8" Hole

TD: 2,740'

ATTACHMENT TO FORM C-108 (VT)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB) DATE SPUD: 8/30/70 COMP: 10/12/70
LEASE: SHUGART (APCO) A WELL NO. 5 ELEVATION: _____
LOCATION: Unit G, Sec. 29, T-18-S, R-31-E
Eddy County, New Mexico



ATTACHMENT TO FORM C-108 (VI)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB) DATE SPUD: 5/17/64 COMP: 8/7/84
LEASE: KENWOOD WELL NO. 4 ELEVATION: _____
LOCATION: Unit C, Sec. 29, T-18-S, R-31-E
Eddy County, New Mexico

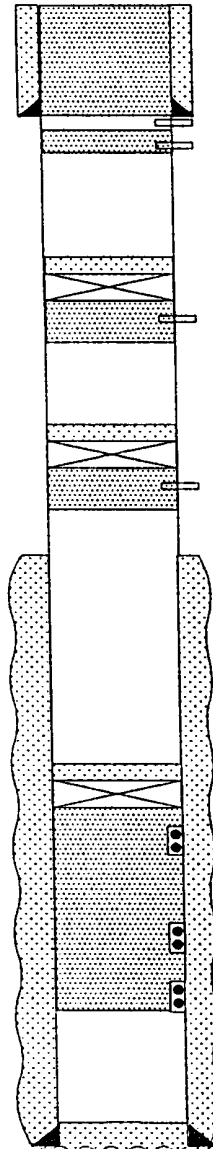
cmt w/ 240 sx
circ cmt to surf

cmt w/ 100 sx
tag TOC @ 785'

CICR @ 1752', cmt w/ 100 sx
+ 35' on top

CICR @ 2450', cmt w/ 500 sx
+ 35' on top

CICR @ 3100', cmt w/ 150 sx
+ 35' on top



CURRENT CONFIGURATION

TD: 3,875'

8 5/8" @ 736'
CEMENT W/ 50 sx
TOC: 476' (Calc.)
In 11" Hole

Perf csg @ 736'

Perf csg @ 910'

Perf csg @ 1800'

Collapsed csg @ 2504'

TOC @ 2,732' (calc)

Perfs 3200'-24'

Perfs 3430'-3506'

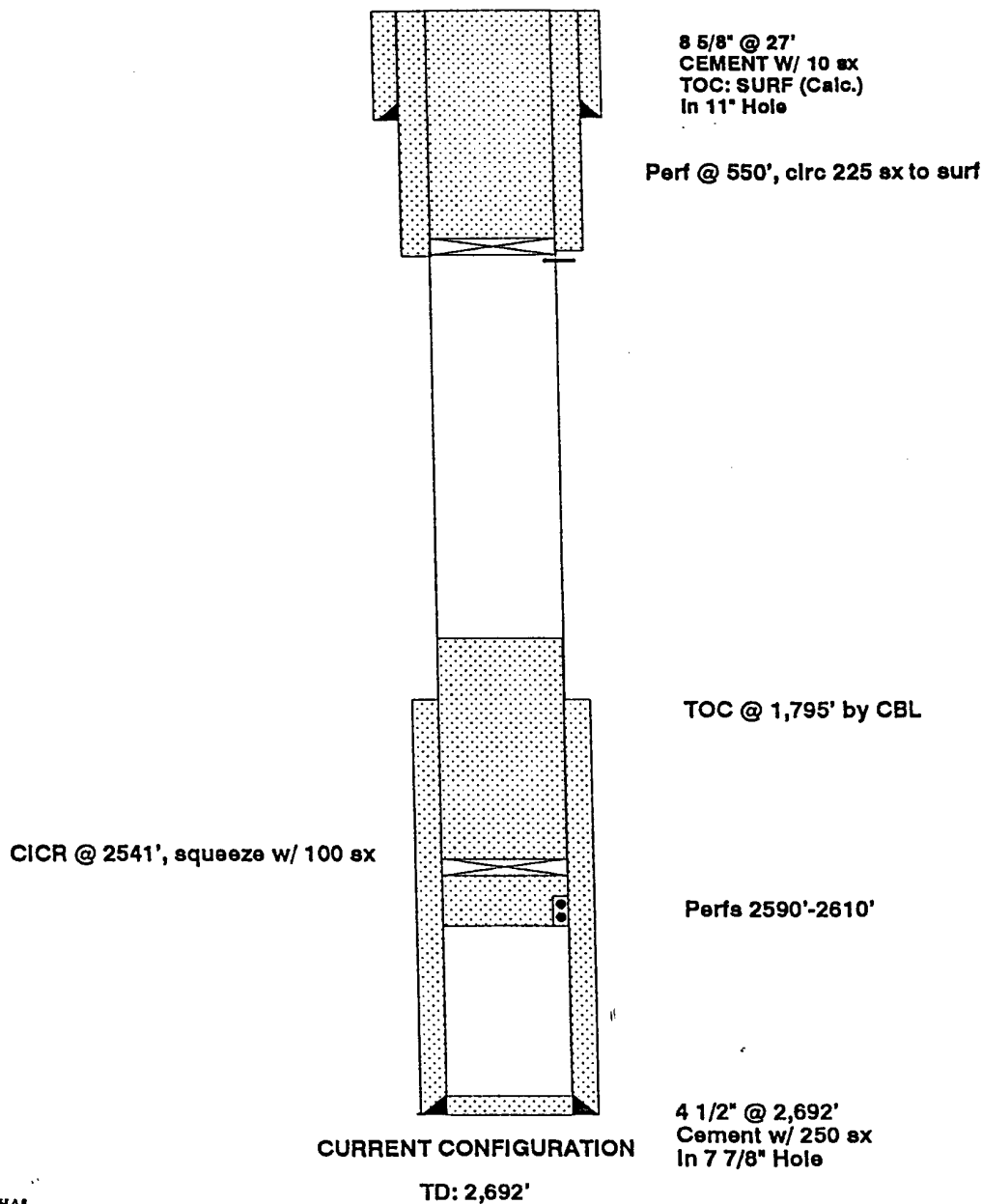
Perfs 3784'-3817'

5 1/2" @ 3,875'
Cement w/ 150 sx
In 7 7/8" Hole

ATTACHMENT TO FORM C-108 (VI)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB) DATE SPUD: 5/31/61 COMP: 6/16/61
LEASE: SHUGART A WELL NO. 8 ELEVATION: _____
LOCATION: Unit N, Sec. 29, T-18-S, R-31-E
Eddy County, New Mexico



ATTACHMENT TO FORM C-108 (VI)
SCHEMATIC OF P&A WELL WITHIN AREA OF REVIEW

MERIDIAN OIL

FIELD: SHUGART (Y,7R,QN,GB)

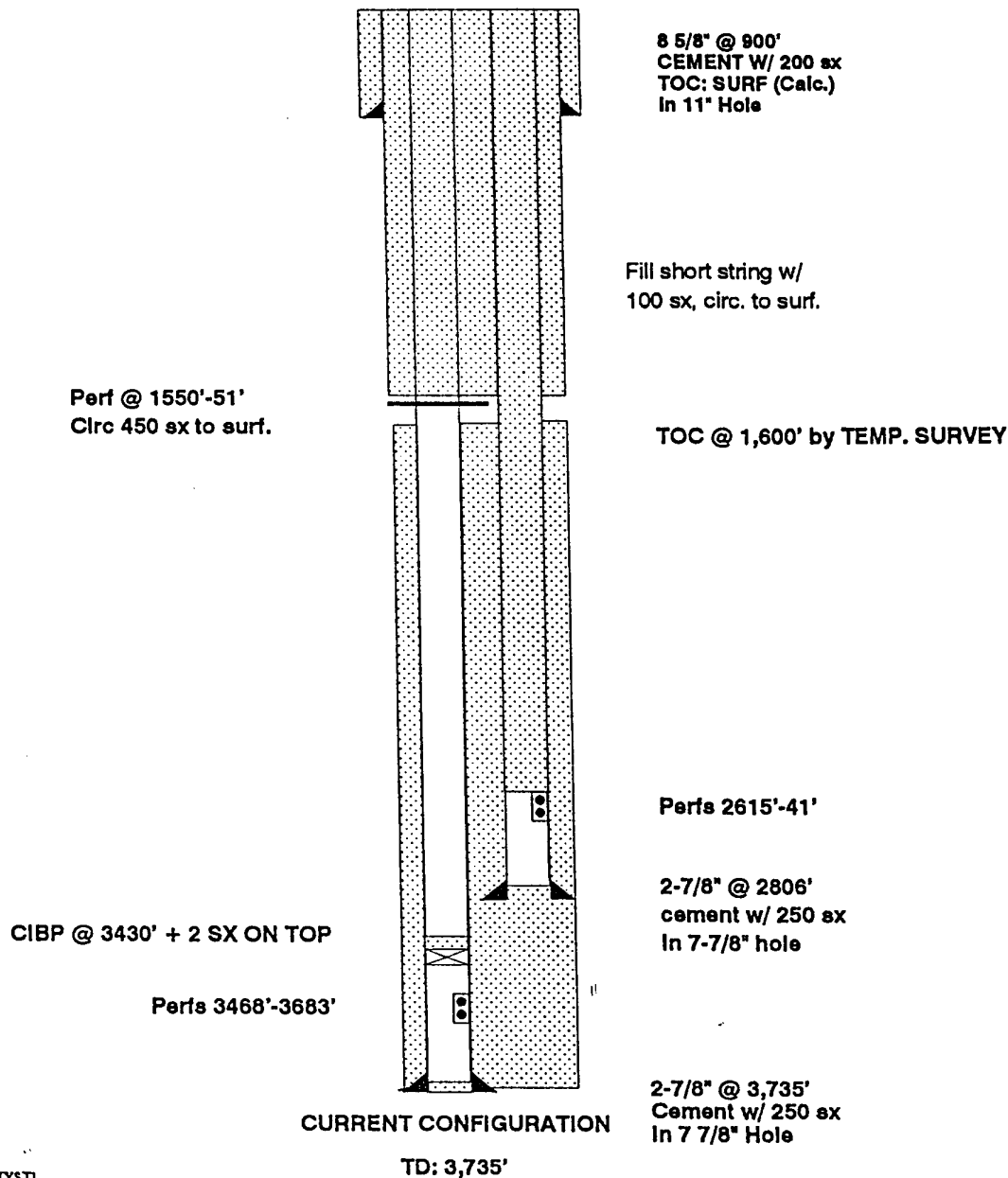
DATE SPUD: 1/16/61 COMP: 3/1/61

LEASE: NEW MEXICO Y STATE WELL NO. 1

ELEVATION: _____

LOCATION: Unit G, Sec. 32, T-18-S, R-31-E

Eddy County, New Mexico



ATTACHMENT TO FROM C-108 (VII) and (XI)

PETROLITE

Petrolite Corporation
200 North Loraine, Suite 1100
Midland, TX 79701-4736

TRETOLITE DIVISION

(915) 682-4301
Fax (915) 684-7673

Reply to:
P.O. Box 60150
Midland, TX 79711-0150

WATER ANALYSIS REPORT

Company : MERIDIAN OIL CO. Date : 6-29-93
Address : ARTESIA, NEW MEXICO Date Sampled : 6-18-93
Lease : SHUGART FLT - 100 ml Analysis No. : 1913
Well :
Sample Pt. : COMMINGLED

ANALYSIS		mg/L	* meq/L
-----		----	-----
1. pH	7.0		
2. H2S	60 PPM		
3. Specific Gravity	1.072		
4. Total Dissolved Solids		126582.8	
5. Suspended Solids			
6. Dissolved Oxygen			
7. Dissolved CO2		50 PPM	
8. Oil In Water			
9. Phenolphthalein Alkalinity (CaCO3)			
10. Methyl Orange Alkalinity (CaCO3)		330.0	
11. Bicarbonate	HCO3	402.6	HCO3 6.6
12. Chloride	Cl	76390.5	Cl 2154.9
13. Sulfate	SO4	2377.5	SO4 49.5
14. Calcium	Ca	4953.9	Ca 247.2
15. Magnesium	Mg	3019.3	Mg 248.4
16. Sodium (calculated)	Na	39436.8	Na 1715.4
17. Iron	Fe	2.2	
18. Barium	Ba	0.0	
19. Strontium	Sr	0.0	
20. Total Hardness (CaCO3)		24802.3	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	- mg/L
-----	-----	-----	-----
247 *Ca <----- *HCO3	Ca(HCO3)2	81.0	535
----- /----->	CaSO4	68.1	3370
248 *Mg -----> *SO4	CaCl2	55.5	10604
----- <----- /	Mg(HCO3)2	73.2	
1715 *Na -----> *Cl	MgSO4	60.2	
-----	MgCl2	47.6	11825
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	1715.4 100247
BaSO4 2.4 mg/L			

REMARKS: HOLLINGER - ALLISON - BENNETT - FILE

Petrolite Oilfield Chemicals Group

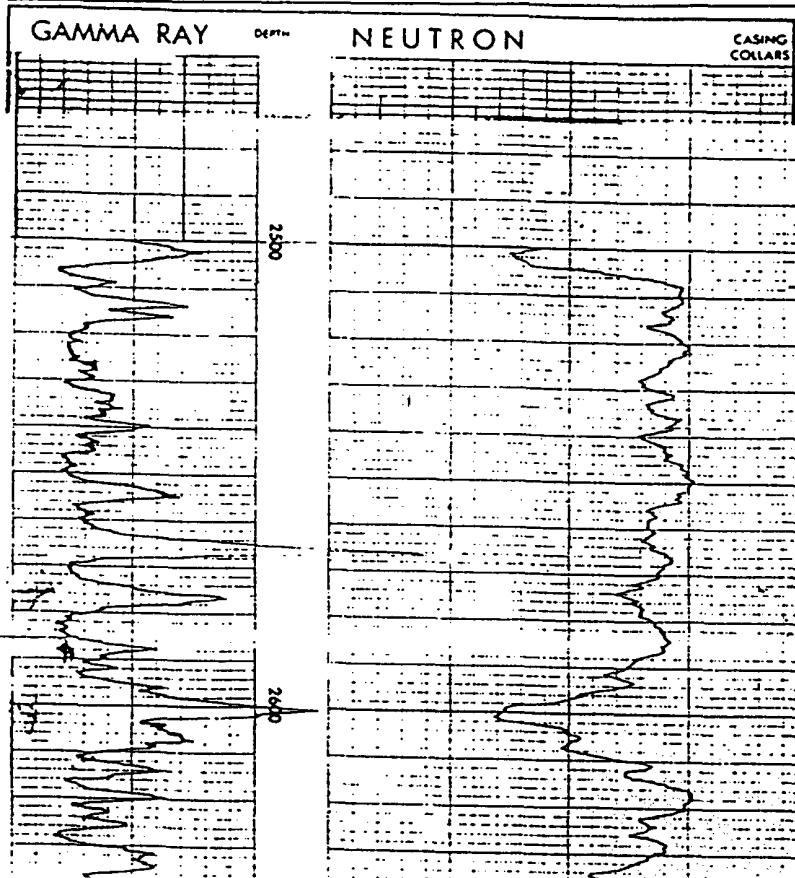
Respectfully submitted,
SUE CRISS

LOG CORE, INC.

WELL <u>KENWOOD #3</u>	
FIELD <u>SHUGART</u>	
COUNTY <u>EDDY</u>	STATE <u>N.M.</u>
Location: <u>2310 F4L 1650 FWL</u> <u>Sec. 29-485031 E</u>	
Other Services:	
Permanent Datum <u>G.L.</u>	Else <u>_____</u>
Log measured from <u>CTF</u>	2 ft above perm. datum
Drilling measured from <u>CTF</u>	_____
Date <u>2-18-64</u>	_____
Run No. <u>ON</u>	_____
Type Log <u>GR</u>	<u>NM</u>
Depth—Driller <u>3854</u>	_____
Depth—Logger <u>3845</u>	_____
Bottom logged interval <u>3836</u>	<u>3844</u>
Top logged interval <u>2500</u>	_____
Type fluid in hole <u>Oil</u>	_____
Salinity, PPM Cl <u>_____</u>	_____
Density <u>_____</u>	_____
Level <u>_____</u>	_____
Max. rec. temp., deg F. <u>_____</u>	_____
Operating log time <u>1 1/2 Hrs.</u>	_____
Recorded by <u>SUTTON</u>	_____
Witnessed by <u>DAVIS</u>	_____

BORT-HOLE RECORD				CASING RECORD			
Run	No.	From	To	Size	Wgt.	From	To
1				5 1/2		Surf	3895

Reproduced By
West Texas Electrical Log Service
 Dallas 2, Texas





THE WESTERN COMPANY

GAMMATRON

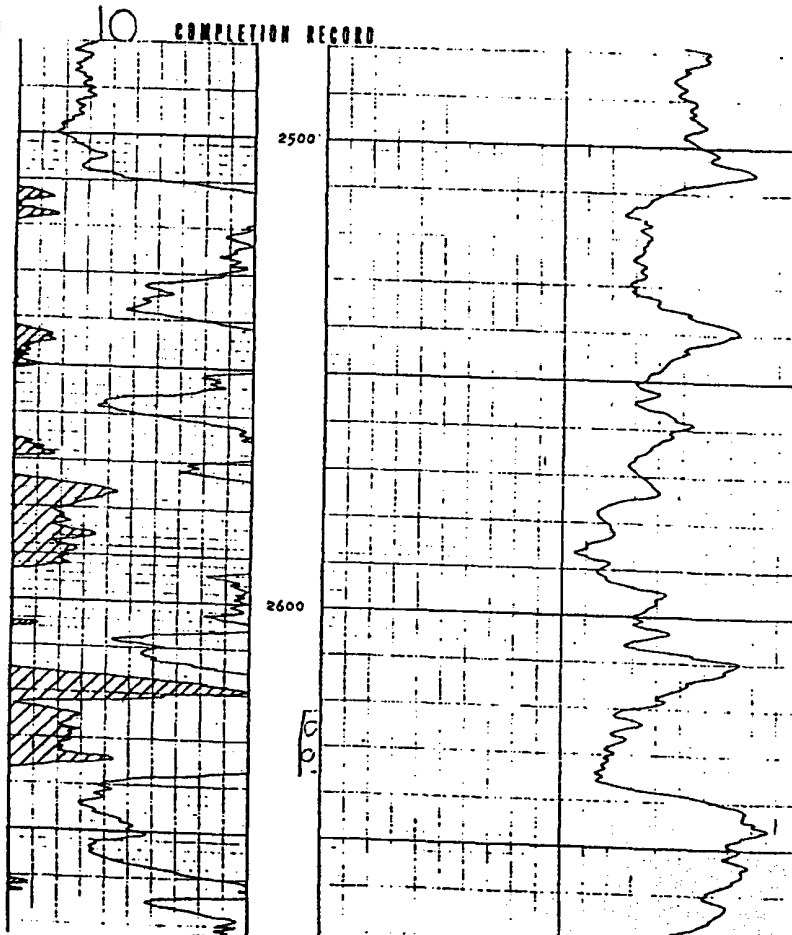
Simultaneous Nuclear Log

ATTACHMENT TO FORM C-108 (X)

FILM NO. 96011	
COMPANY <u>CHAMBERS & KENNEDY</u>	
WELL <u>MONTEREY STATE Y L</u>	
FIELD <u>CULVIN</u>	
COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>	
LOCATION <u>1980' FNL & 1980' FVL</u>	
OTHER SERVICES	
SEC <u>32</u> TWP <u>18-3</u> RGE <u>31-E</u>	
PERMANENT DATUM <u>G.L.</u> ELEV. <u>3563</u>	
LOG MEASURED FROM <u>0.0</u> FT. ABOVE PERMANENT DATUM	
DRILLING MEASURED FROM <u>0.0</u> FT.	
DATE <u>9-19-60</u> <u>9-19-60</u>	
RUN NO. <u>ONE-NW</u> <u>ONE-NW</u>	
TYPE LOG <u>GAMMA-RAY</u> <u>NEUTRON</u>	
DEPTH-DRILLER <u>3688</u> <u>3688</u>	
DEPTH-LOGGER <u>3682.5</u> <u>3682.5</u>	
BOTTOM LOGGED INTERVAL <u>3673.5</u> <u>3681</u>	
TOP LOGGED INTERVAL <u>SURF.</u> <u>SURF.</u>	
TYPE FLUID IN HOLE <u>WATER</u> <u>WATER</u>	
SALINITY PPM CL	
DENSITY	
LEVEL <u>3645</u> <u>3645</u>	
MAX REC TEMP DEG F	
OPR. RIG TIME <u>3 1/4 HOURS</u>	
RECORDED BY <u>MONK</u>	
WITNESSED BY <u>MR. HECK</u>	
RUN NORE HOLE RECORD	
Casing Record	
10 SURF. 851	
8 855	

Reproduced By
West Texas Electrical Log Service **SOUTHLAND ROYALTY CO.**
Dallas 2, Texas **MIDLAND DISTRICT**

REFERENCE **AI 48L**



Affidavit of Publication

No. 14517

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 state, and that
the hereto attached Legal Notice

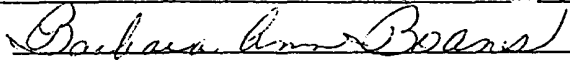
was published in a regular and entire issue of the said Artesia
Daily Press, a daily newspaper duly qualified for that purpose
within the meaning of Chapter 167 of the 1937 Session Laws of
the state of New Mexico for 1 days
consecutive weeks on
the same day as follows:

First Publication November 5, 1993

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this 5th dayof November 19 93


Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1996

Copy of Publication

LEGAL NOTICE

Southland Royalty Company,
P.O. Box 51810, Midland,
Texas 79710-1810

Contact Party: Maria Perez
(915-688-6906) is making ap-
plication with the Oil Conser-
vation Division in Santa Fe,
New Mexico for authority to
amend injection interval from
3774'-3823' Grayburg Zone to
2450'-2550' Yates Sand Zone
on previously approved author-
ity under order WFX-628 to in-
ject salt water in the Kenwood
No. 3 well in Unit F,
2310' FNL & 1650' FWL,
Sec. 29, T18S, R31E, Eddy
County, New Mexico. Also
we are requesting approval to
convert to water injection the
Monterey B State No. 4 in
Unit F, 1980' FNL & 1980'
FWL, Sec 32, T18S, R31E,
Eddy County, New Mexico.
The proposed injection wells
will inject water produced
from Southland Royalty's
leases from the Yates, Queen,
and Grayburg formation in the
Shugart - Yates - SR - QN -
GB Pool into the Yates forma-
tion +2450'-2650'. Estimated
initial injection rate will be
500 BWPD. The estimated
maximum injection rate is
1000 BWPD. Anticipated ini-
tial injection pressure to be
+500 psi, and request an
operating maximum pressure
of 1200 psi. Any interested
parties must file objections or
request for hearing with the
Oil Conservation Division,
P.O. Box 2088, Santa Fe, New
Mexico 87501 within 15 days.
Published in the Artesia Daily
Press, Artesia, N.M. Novem-
ber 5, 1993.

Legal 14517

APPROVAL

RECEIVED

NOV 08 1993

PROD.SERV.

MERIDIAN OIL

November 5, 1993

Artesia Daily Press
P.O. Box 179
Artesia, New Mexico 88211-0179

Re: Publication of Legal Notice
Kenwood No. 3
Unit F, Sec 29, T18S, R31E

Monterey B State No. 4
Unit F, Sec. 32, T18S, R31E
Eddy County, New Mexico

Ladies and Gentlemen:

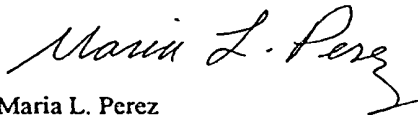
Please publish for one day the following legal notice:

Southland Royalty Company, P.O. Box 51810, Midland, Texas 79710-1810
Contact Party: Maria Perez (915-688-6906) is making application with the Oil Conservation Division in Santa Fe, New Mexico for authority to amend injection interval from 3774' - 3823' Grayburg Zone to 2450' - 2550' Yates Sand Zone on previously approved authority under order WFX-628 to inject salt water in the Kenwood No. 3 well in Unit F, 2310' FNL & 1650' FWL, Sec. 29, T18S, R31E, Eddy County, New Mexico. Also we are requesting approval to convert to water injection the Monterey B State No. 4 in Unit F, 1980' FNL & 1980' FWL, Sec 32, T18S, R31E, Eddy County, New Mexico. The proposed injection wells will inject water produced from Southland Royalty's leases from the Yates, Queen, and Grayburg formation in the Shugart - Yates - SR - QN - GB Pool into the Yates formation \pm 2450' - 2650'. Estimated initial injection rate will be 500 BWPD. The estimated maximum injection rate is 1000 BWPD. Anticipated initial injection pressure to be \pm 500 psi, and request an operating maximum pressure of 1200 psi. Any interested parties must file objections or request for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

Please mail a newspaper clipping, invoice and affidavit of publication to:

Maria L. Perez - Production Services
Southland Royalty Company
P.O. Box 51810
Midland, TX 79710-1810

Sincerely,



Maria L. Perez
Production Assistant
915 688-6906

ATTACHMENT TO FORM C-108 (XIV)

Kenwood No. 3

Unit F, Sec. 29, T18S, R31E

Monterey B State No. 4

Unit F, Sec. 32, T18S, R31E

Eddy County, New Mexico

Offset Operators within a one-half mile radius: (Notified Nov. 5, 1993 by certified mail)

Fina Oil and Chemical Co.

P.O. Box 2290

Midland, TX 79702

Energy Resources Oil and Gas Corp.

4849 Greenville Ave., Suite 730

Dallas, TX 75206

Ozark Exploration Inc.

Two Turtle Creek Village, Suite 1525

Dallas, TX 75206

SDX Resources, Inc.

300 W. Texas, Suite 525

Midland, TX 79701

Southland Royalty Company

P.O. Box 51810

Midland, TX 79710-1810

Yates Petroleum

105 South Fourth Street

Artesia, NM 88210

Newspaper (legal notice published)

Artesia Daily Press

P.O. Box 179

Artesia, NM 88211-0179

Surface Owner - Kenwood No. 3 (Notified Nov. 5, 1993 by certified mail)

United States Department of the Interior

Bureau of Land Management

P.O. Box 1778

Carlsbad, NM 88221-1778

Surface Owner - Monterey B State No. 4

State of New Mexico

Commissioner of Public Lands

P.O. Box 1148

Santa Fe, NM 87504-1148

MERIDIAN OIL

November 5, 1993

Energy Resources Oil and Gas Corp.
4849 Greenville Ave., Suite 730
Dallas, Texas 75206

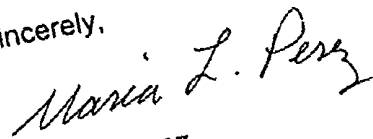
RE: Offset Operators Notification
Form C-108 Application for
Authorization to Inject
Kenwood No. 3
Unit F, sec. 29, T18S, R31E
Monterey B State No. 4
Unit F, sec. 32, T18S, R31E
Eddy County, NM

Gentlemen:

Enclosed is a copy of our application for authorization to inject. Plans are to inject produced water into the Yates formation through the Kenwood No. 3 and the Monterey B State No. 4 at a depth of 2450'-2650'.

Should you have any questions, please contact me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MERIDIAN OIL

November 5, 1993

Energy Resources Oil and Gas Corp.
4849 Greenville Ave., Suite 730
Dallas, Texas 75206

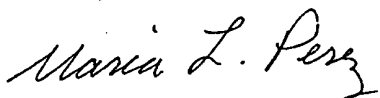
RE: Offset Operators Notification
Form C-108 Application for
Authorization to Inject
Kenwood No. 3
Unit F, sec. 29, T18S, R31E
Monterey B State No. 4
Unit F, sec. 32, T18S, R31E
Eddy County, NM

Gentlemen:

Enclosed is a copy of our application for authorization to inject. Plans are to inject produced water into the Yates formation through the Kenwood No. 3 and the Monterey B State No. 4 at a depth of 2450'-2650'.

Should you have any questions, please contact me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MERIDIAN OIL

November 5, 1993

Fina Oil and Chemical Co.
P.O. Box 2990
Midland, Texas 79702

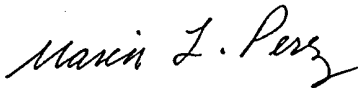
**RE: Offset Operators Notification
Form C-108 Application for
Authorization to Inject
Kenwood No. 3
Unit F, sec. 29, T18S, R31E
Monterey B State No. 4
Unit F, sec. 32, T18S, R31E
Eddy County, NM**

Gentlemen:

Enclosed is a copy of our application for authorization to inject. Plans are to inject produced water into the Yates formation through the Kenwood No. 3 and the Monterey B State No. 4 at a depth of 2450'-2650'.

Should you have any questions, please contact me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MERIDIAN OIL

November 5, 1993

Ozark Exploration Inc.
Two Turtle Creek Village, Suite 1525
Dallas, Texas 75219

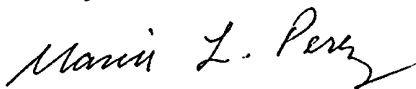
RE: Offset Operators Notification
Form C-108 Application for
Authorization to Inject
Kenwood No. 3
Unit F, sec. 29, T18S, R31E
Monterey B State No. 4
Unit F, sec. 32, T18S, R31E
Eddy County, NM

Gentlemen:

Enclosed is a copy of our application for authorization to inject. Plans are to inject produced water into the Yates formation through the Kenwood No. 3 and the Monterey B State No. 4 at a depth of 2450'-2650'.

Should you have any questions, please contact me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MERIDIAN OIL

November 5, 1993

SDX Resources, Inc.
300 W. Texas, Suite 525
Midland, Texas 79701

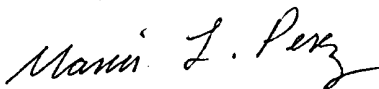
RE: Offset Operators Notification
Form C-108 Application for
Authorization to Inject
Kenwood No. 3
Unit F, sec. 29, T18S, R31E
Monterey B State No. 4
Unit F, sec. 32, T18S, R31E
Eddy County, NM

Gentlemen:

Enclosed is a copy of our application for authorization to inject. Plans are to inject produced water into the Yates formation through the Kenwood No. 3 and the Monterey B State No. 4 at a depth of 2450'-2650'.

Should you have any questions, please contact me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MERIDIAN OIL

November 5, 1993

Yates Petroleum Corp.
105 South Fourth Street
Artesia, New Mexico 88210

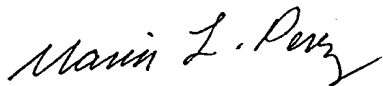
**RE: Offset Operators Notification
Form C-108 Application for
Authorization to Inject
Kenwood No. 3
Unit F, sec. 29, T18S, R31E
Monterey B State No. 4
Unit F, sec. 32, T18S, R31E
Eddy County, NM**

Gentlemen:

Enclosed is a copy of our application for authorization to inject. Plans are to inject produced water into the Yates formation through the Kenwood No. 3 and the Monterey B State No. 4 at a depth of 2450'-2650'.

Should you have any questions, please contact me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MERIDIAN OIL

November 5, 1993

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

RE: Your Notification as Surface Owner
of application for authorization to inject
salt water for Southland Royalty Company's
Monterrey B State No. 4
Shugart-Yates-SR-QN-GB Pool
F, 1980' FNL & 1980' FWL,
Sec. 32, T18S, R31E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of our application for authorization to convert the captioned well to water injection which was filed with the Oil Conservation Division in Santa Fe, New Mexico. This is your notification as surface owner of these lease as required under New Mexico Statewide Rule 701.

If you have any questions on this application, please contact me at A/C 915-688-6906.

Sincerely,



Maria L. Perez
Production Services

MERIDIAN OIL

November 5, 1993

United States Department of the Interior
Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

RE: Your Notification as Surface Owner
of application to amend injection interval
under administrative Order No. WFX-628
for Southland Royalty Company's
Kenwood No. 3 (LC-029387)
Shugart-Yates-SR-QN-GB Pool
F, 2310' FNL & 1650' FWL,
Sec. 29, T18S, R31E
Eddy County, New Mexico

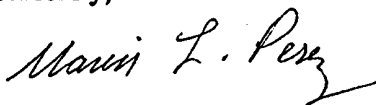
Gentlemen:

Enclosed is a copy of our application to amend the injection interval on the captioned well which was filed with the Oil Conservation Division in Santa Fe, New Mexico. This is your notification as surface owner of these lease as required under New Mexico Statewide Rule 701.

A sundry is also enclosed of our notice of intent to plug back from the Grayburg to the Yates Zone in the same pool.

If you have any questions on this application, please contact me at A/C 915-688-6906.

Sincerely,



Maria L. Perez
Production Services