Form 3160-5 (June 1990)

UMFED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-28099

Change of Plans

Water Shut-Off

New Construction

Non-Routine Fracturing

Conversion to Injection

6. If Indian, Allottee or Tribe Name

SUNDER NOTICES AND REPORTS ON WELLS Do not use this torm for proposals to drill or to deepen or reentry to a different reservoir.

WUSE "APPLICATION FOR PERMIT—" for such proposals KELEIVED 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE DEC 1 0 **199**3 1. Type of Well 8. Well Name and No. SWD-537 X Other SWD Well Pennzoil MZ #1 SWD 2. Name of Operator (505) 748-1471) 9. API Well No. YATES PETROLEUM CORPORATION. 3. Address and Telephone No. 30-015-23188 10. Field and Pool, or Exploratory Area 105 South 4th St., Artesia, NM 88210 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Loco Hills Q-GB-SA 11. County or Parish, State 330' FNL & 330' FWL of Section 11-T18S-R30E (NWNW) Eddy Co., NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION

Other Convert to SWD Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Abandonment

Recompletion Plugging Back

Casing Repair

Altering Casing

Propose to convert well to a salt water disposal in the Grayburg formation as follows:

- 1. Move in and rig up pulling unit. Nipple up BOP. Retrieve RBP set at 3451'.
- TIH w/5-1/2" X 2-7/8" Uni VI packer on tubing (plastic coated or nickel plated). Will use internally plastic coated injection tubing couplings to surface.
- 3. With packer set at 3150', reverse circulate the annulus with clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger (packer fluid). Set packer at 3150' with tubing landed in neutral position or compression and test annulus to 500 psi for 30 minutes. If everything tests, nipple down BOP and nipple up injection wellhead equipment.
- Test well with a load of produced water to make sure nothing leaks in well.
- Begin salt water disposal operations.

Notice of Intent

Subsequent Report

Final Abandonment Notice

NCTE: NOTIFY NMOCD (784-1283) 24 HOURS IN ADVANCE TO WITNESS CASING INTEGRITY TEST.

SWD-537 14. I hereby corrify that the foregoing is true and correct Production Clerk PETROLEUM ENGINEER (ORIG. SGD.) JOE G. LARA Conditions of approval, if any: