N. M. Oil Cons. Divisi 811 8. 12T ST.

ARTESIA, NM 20210-2834

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UNITED STATES DEPARTMENT OF THE INTERIOR (JUNE 1990 BUREAU OF LAND MANAGEMENT Expires March 31 1993 5. Lease Designation and Serial No. LC - 065421 SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir 6. If Indian, Allotte o Tribe Name N/A Use "APPLICATION FOR PERMIT -- " for such proposals. 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE N/A 1. Type of Well Oil Well X Gas Well 8. Well Name and No. 2. Name of Operator O'Neill Federal No. 1 Mallon Oil Company 9. Well AP! No. 3. Address and Telephone No P.O. Box 3256, Carlsbad, NM 88220 (505) 885-4596 30-015-20301 10. Field and Poot, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) White City, Morrow 1980' FSL and 660' FWL (NW<SW) Unit L 11. County or Parish, State Eddy County, NM Sec. 11, T24S, R26E CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Abandonment Change of Plans Notice of Intent New Construction Recompletion Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Notice Dispose Water Other: (Note: Report results of multiple completion on Well 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 zone.)* Mallon Oil Company request approval of water disposal method. The required information is listed below. 1. The producing formation is the Morrow. 2. The well produces 3 bbls of water per day. 3. A copy of water analysis is attached. 4. The water is stored on lease in a 250 bbl fiberglass water tank. 5. The water is trucked to an approved disposal facility. 6. The disposal facilities that the water could be trucked are shown on the attached letter 14. I hereby certify that the foregoing is true and correct 9/17/99 Production Superintendent Signed Mike Braswell (THIS SPACE FOR FEIDERAL OR STATE OFFICE USE) PETROLEUM ENGINEER ORIG. SGD.) GARY GOURLEY Approved By Conditions of approval, if any Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and wilifully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as as to any matter within its jurisdiction.



Water Analysis Report by Baker Petrolite

MALLON OIL COMPANY

O'NEIL FEDERAL WELL #1 WELLHEAD

Account Manager
CURRY PRUIT

Summ	Analysis of Sample 23921 @ 75°F						
Sampling Date		Anions	mg/l		Cations	mg/l	meq/l
Analysis Date		Chioride	75000	2115	Sodium	45546	1981
Analyst 5	SHAWNA MATTHEWS	I .	341	5.59	Magnesium	N/A	N/A
TD6/ #		Carbonate	N/A		Calcium	2600	130
TDS (mg/l or g/m³)		Sulfate	75.0	1.56	Strontium	N/A	N/A
Density (g/cm ³ or tonne/r	1.080 (בת	Phosphate	N/A		Barium	N/A	N/A
Anion/Cation Ratio		Borate	N/A		Iron	325	11.6
<u> </u>		Silicate	N/A	N/A	Potessium	N/A	NA
Carbon Dioxide	240 PPM				Aluminum	N/A	14. rc
Oxygen		Hydrogen Sulfide		0 PPM	Chromium	N/A	N.A
					Соррег	N/A	N/A
		pH at time of sampling		5.70	Lead	N/A	N/A
		pH at time of analysis			Manganese	N/A	N/A
		pH used in Calculation	\$	5.70	Nickel	N/A	NA

Cond	itions	Va	lues Ca	culated at the Given Conditions - Amounts of Scale in lb/1000bbl								
Temp. Gauge Press.		Calcite CaCO 3		Gypsum CaSO ₄ : 2H ₂ O		Anhydrite CaSO		Celestite SrSQ4		Barite BaSO		CO ¿
*F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0.	-0.63		-1.67		-1.68		N/A	1 377 377 377	N/A	7.110011	5.28
100	0.	0.53		at.74	1	-1 88		N/A	j	N/A		6.58
120	0.	-0.42		-1.79	l	-1 35	İ	N/A		N/A		7.89
140	0.	-0.31		-1.83		-1.60		N/A		N/A		9.16

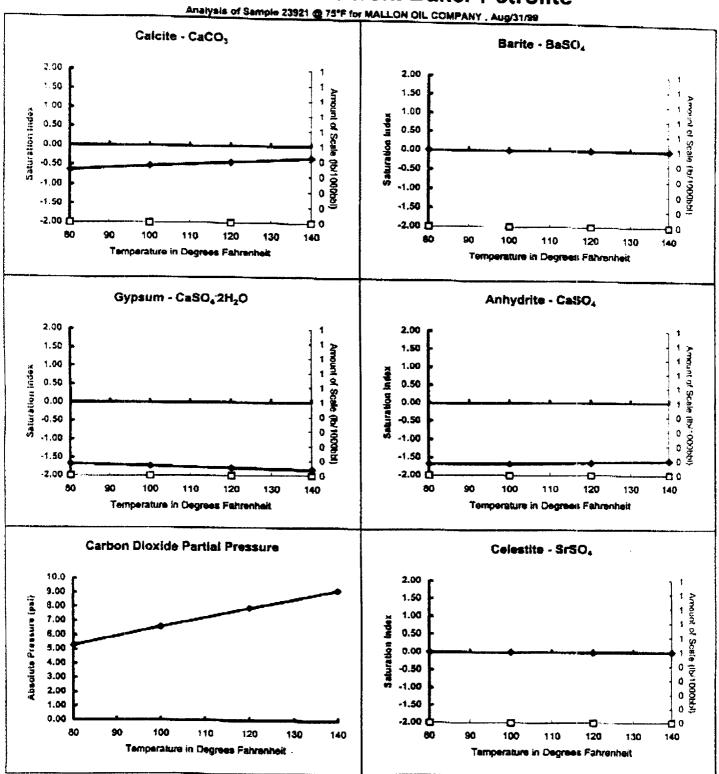
Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.



Scale Predictions from Baker Petrolite



RE O'Neill Federal #/

ATTN: MIKE BRASSWELL

this is a list of Salt Water Disposal wells that your water will go into. This information contains the operator, the lease name, the section, the township and the range. It will also contain the SWD number issued by the State Oil and Gas Commission.

Operator	Lease Name	Sec.	Town.	Range	SWD#
XControlled Recovery	Halfway SWD	<u>27-</u> 25-	20- 19-	-32 -34	R-9166 SWD-559
X Marathon Subsurface X Scurlock Permian	Rohmer 5 WD	23-	22-	-27	SWD-505
H&M INC. Corine Grace	Mayme Graham Saity Bill	9- 36- 19-	15- 22- 23-	-36 -26 -32	R-7960 SWD-118 SWD-486
Harvard Petroleum Rapid Transportation	James #1 n Rapid SWD Dorstate #1	10- 27-	25- 25- 255-	-36	R-7935 SWD - 247
MESQUITE INC Dakota Resources	Whistle Stop D.U. Otis	8- 36-	215- 225-		SWD-461 SWD-539

I hope this will meet with your approval, if I can be of more assistance don't hesitate to call.

Sincerely Yours

Steve Lane