

UNITED 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 54290

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

N. Brushy Draw Fed 35

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

Eddy, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT 10

RECEIVED

APR 0 1 1997

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Southwest Royalties, Inc.

3. Address and Telephone No.

P. O. Box 11390; Midland, TX 79702

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

1980 FNL 1980 FEL
Sec. 35, 25S, 29E

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

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☒ 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.)*

Primary Disposal of Produced Water on the Lease is by a Pipeline to the Pogo 36 State #1 Located in Unit L, Sec. 36, T25S, R29E. The Permit for Disposal is Attached.

Secondary Disposal is by trucking.

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

Signed Jim Blount Title Area Supervisor

Date 3-31-97

(This space for Federal or State office use)

(ORIG. SGD.) ALEXIS G. SWOBODA

Title PETROLEUM ENGINEER

Date APR 08 1997

Approved by
Conditions of approval, if any:

CONDITIONS OF APPROVAL

Title 18 U.S.C. Section 1001, makes 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.

"See Instruction on Reverse Side



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

AMENDED ADMINISTRATIVE ORDER SWD-541

***APPLICATION OF SOUTHWEST ROYALTIES, INC. FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Southwest Royalties, Inc. made application to the New Mexico Oil Conservation Division on November 12, 1993, for permission to complete for salt water disposal its Pogo "36" State Well No. 1 located 2310 feet from the South line and 330 feet from the West line (Unit L) of Section 36, Township 25 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, Southwest Royalties, Inc. is hereby authorized to complete its Pogo "36" State Well No. 1 located 2310 feet from the South line and 330 feet from the West line (Unit L) of Section 36, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Cherry Canyon formation at approximately 4170 feet to 4826 through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 4610 feet.

4170 (should read 4710')

ROK

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.

At some time in the future, the operator may wish to include an additional injection interval extending from approximately 4176 feet to 4270 feet. Should this option be exercised, and prior to re-establishing injection, the operator shall perform cement squeeze operations in a manner acceptable to the supervisor of the Artesia District Office to establish a cement top of at least 3676 feet.

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 942 psi. Should the interval extension be implemented, the maximum injection pressure will at that time be reduced to no more than 835 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 Cherry Canyon 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 the 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.

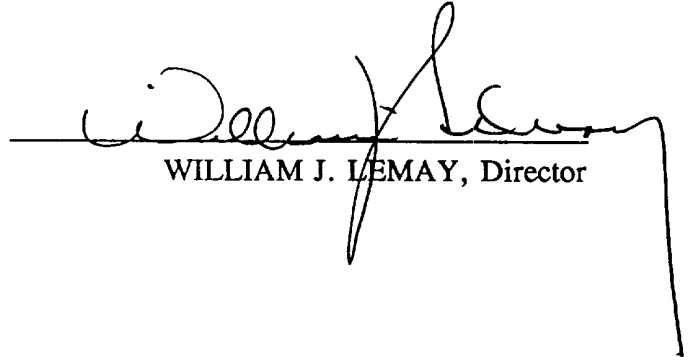
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator

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.

The operator shall submit monthly reports of the disposal operations 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.

Approved at Santa Fe, New Mexico, on this 20th day of December, 1993.


WILLIAM J. LEMAY, Director

WJL/BES/amg

xc: Oil Conservation Division - Artesia
NM State Land Office - Oil and Gas Division

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

| | | |
|---|---|-------------------------------------|
| Operator Southwest Royalties, Inc. | | Well API No. 30-015-27310 |
| Address c/o Box 953, Midland, TX 79702 | | |
| Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain) | | |
| New Well <input type="checkbox"/> | Change in Transporter of: | |
| Recompletion <input type="checkbox"/> | Oil <input checked="" type="checkbox"/> | Dry Gas <input type="checkbox"/> |
| Change in Operator <input type="checkbox"/> | Casinghead Gas <input type="checkbox"/> | Condensate <input type="checkbox"/> |
| If change of operator give name and address of previous operator | | |

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|---|----------------------|---|---|------------------------------|
| Lease Name North Brushy Draw A 35 Fed | Well No. 1 | Pool Name, including Formation North Brushy Draw Delaware | Kind of Lease Lease, Federal or other | Lease No. NM 54290 |
| Location Unit Letter G : 1980 Feet From The north Line and 1980 Feet From The east Line Section 35 Township 25 S Range 29 E , NMPM Eddy County | | | | |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | | |
|---|--|---------------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Refining Company-Pipeline Div. | Address (Give address to which approved copy of this form is to be sent) P.O. Box 159, Artesia, NM 88210 | |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Sid Richardson Carbon & Gasoline Co. | Address (Give address to which approved copy of this form is to be sent) 201 Main St., Ft. Worth, TX 76102 | |
| If well produces oil or liquids, give location of tanks. | Unit G | Sec 35 |
| | Twp. 25 S | Rge. 29 E |
| Is gas actually connected? | | When? |

If this production is commingled with that from any other lease or pool, give commingling order number.

IV. COMPLETION DATA

| | | | | | | | | |
|-------------------------------------|-----------------------------|----------|-----------------|----------|------------------|-------------------|------------|------------|
| Designate Type of Completion - (X) | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res'v | Diff Res'v |
| Date Spudded | Date Compl. Ready to Prod. | | Total Depth | | | P.B.T.D. | | |
| Elevations (DF, RKB, RT, GR, etc.) | Name of Producing Formation | | Top Oil/Gas Pay | | | Tubing Depth | | |
| Perforations | | | | | | Depth Casing Shoe | | |
| TUBING, CASING AND CEMENTING RECORD | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | SACKS CEMENT | | | |
| | | | | | 1000 10 3 | | | |
| | | | | | 1000 10 3 | | | |
| | | | | | RT SPO | | | |

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

| | | | |
|--------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tank | Date of Test | Producing Method (Flow, pump, gas lift, etc.) | |
| Length of Test | Tubing Pressure | Casing Pressure | Choke Size |
| Actual Prod. During Test | Oil - Bbls. | Water - Bbls. | Gas - MCF |

GAS WELL

| | | | |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D | Length of Test | Bbls. Condensate/MCF | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature **Kate Ellison** Agent
Printed Name **Kate Ellison** Title
Date **1-14-94** Telephone No. **(915) 684-6381**

OIL CONSERVATION DIVISION

Date Approved **JAN 28 1994**

By **SUPERVISOR, DISTRICT II**

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.