STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ____X___Disposal _____Storage
Application qualifies for administrative approval? _____Yes _____No

II. OPERATOR: Seguro Oil and Gas, LLC

ADDRESS: PO Box 3176, Midland, TX 79702

CONTACT PARTY: S. Paul Anderson PHONE: 432-219-0740 ext 10

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 _____X___No
If yes, give the Division order number authorizing the project: _____

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 geologic data on the injection zone including appropriate lithologic detail, geologic 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 sources 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 sources 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: Donna Sturdivant TITLE: Regulatory Clerk

SIGNATURE: _____ DATE: 03/10/2021

E-MAIL ADDRESS: donna@seguro-llc.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Seguro Oil and Gas, LLC

WELL NAME & NUMBER: JCT 7 Federal #1

WELL LOCATION: 2100 FSL 547 FEL | I | 07 | 09S | 38E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

Copies of the existing and the proposed WBD are Attached Separately

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17.5 Casing Size: 13.375

Cemented with: 500 of Class C sx. ***or*** _____ ft^3

Top of Cement: 0 Method Determined: Circ

Intermediate Casing

Hole Size: 12.25 Casing Size: 9.625

Cemented with: 1700 of POZ sx. ***or*** _____ ft^3

Top of Cement: 0 Method Determined: Circ

Production Casing

Hole Size: 8.75 Casing Size: 5.5

Cemented with: 910 Class C sx. ***or*** _____ ft^3

Top of Cement: 9114 Method Determined: CBL

Total Depth: 11687

Injection Interval IF Devonian Doesn't test okay

Perf 9656 feet to 11,681'

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2.875 Lining Material: Falcon Modified Polycore

Type of Packer: Arrow-set 1-X Packer

Packer Setting Depth: 9606

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? _____Yes __X__No

   If no, for what purpose was the well originally drilled? Production

2. Name of the Injection Formation: Pennsylvanian and Devonian

3. Name of Field or Pool (if applicable): 55290 Sawyers; Devonian

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   San Andres 4,263' and Devonian 11,669'

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 June 10, 2003
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1]API Number	[2]Pool Code	[3]Pool Name	
30-025-38350	55290	Sawyer Devonian	
[4]Property Code	[5]Property Name		[6]Well Number
36387	JCT FEDERAL 7		1
[7]OGRID No.	[8]Operator Name		[9]Elevation
11181	J. Cleo Thompson		3972'

[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
I	7	9 S	38 E		2100	South	547	East	Lea

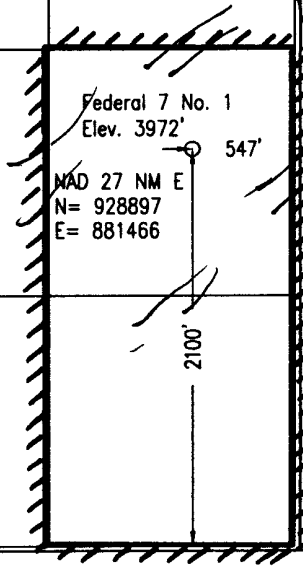
[11]Bottom Hole Location If Different From Surface

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	[13]Joint or Infill	[14]Consolidation Code	[15]Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL 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.

J B Stevens
Signature

Jim Stevens
Printed Name

Ops. Mgr. JStevens@JCleo.com
Title and E-mail Address

Jan. 11, 2007
Date

[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.

12-11-2006
Date of Survey

Signature and Seal of Professional Surveyor:

MICHAEL L STANFORD
NEW MEXICO
10324
REGISTERED PROFESSIONAL LAND SURVEYOR

Michael L Stanford
Certificate Number 10324

24 Miles NE of Tatum, New Mexico.

File No. A-3269.DWG

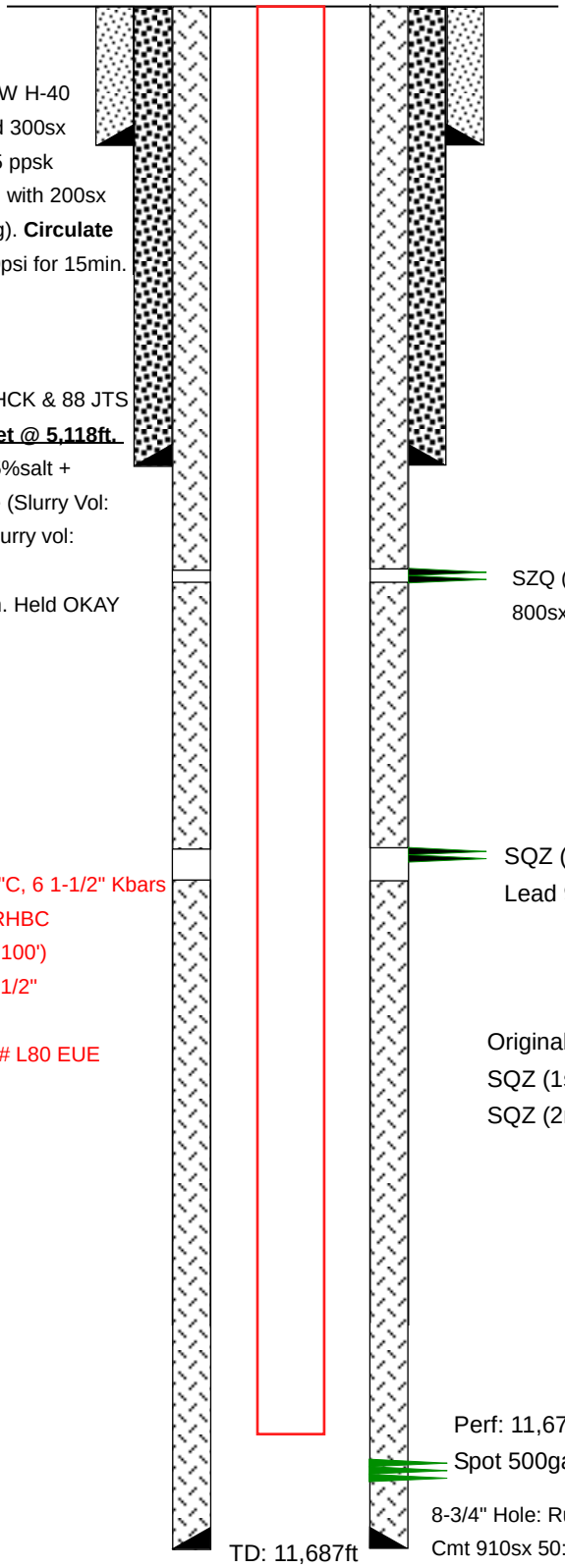
Seguro Oil & Gas, LLC

JCT Federal 7 #1
API: 30-025-38350
Lea Co., NM
Location: 2,100FSL & 547FEL of Section 7, T9S R38E
GL: 3,972ft ; KB: 3,990ft
Well Bore Diagram as of 1-31-2021 ***Current*** *WELL BORE DIAGRAM*

Spud: 6-21-2007
Comp: 9-29-2007

Formation Tops

Formation	Top MD	Top (SS)
Rustler:	2,338'	(+1,652')
Yates:	2,882'	(+1,108')
San Andres:	4,263'	(- 273')
Abo:	7,638'	(-3,648')
Wolfcamp:	8,810'	(-4,820')
Three Brothers:	9,246'	(-5,256')
Bough C:	9,492	(-5,502)
Mississippian:	11,408'	(-7418')
Devonian:	11,669'	(-7,679')



17-1/2" Hole: 13 3/8" 48# NEW H-40 ST&C **csg set @ 519ft**. Cmtd 300sx 35:65:6'C' + 2% CaCls + 0.25 ppsk celloflake (1.97/12.5ppg). Tail with 200sx "C" +2% CaCl2 (1.33/14.8ppg). **Circulate 175sx to pit.** Test Csg to 600psi for 15min. Held okay.

12-1/4" Hole: Ran 27jts 40# HCK & 88 JTS 40# J-55 LT&C **9-5/8" Csg set @ 5,118ft.** CMT w/ 1500sx 50/50pox + 5%salt + 10%gel + 0.25ppsk celloflake (Slurry Vol: 654.51). Tail w/200sx neat (slurry vol: 47.73), **Circ 215sx to pits.**
Test csg to 1500psi for 15min. Held OKAY

SZQ (2nd): Perf: 9-18-2007 @ 5680-82ft, 2holes: Sqzd w/ 950sx; Lead 800sxs 50/50Poz, Tail: 150sx class C Neat. Circ Cmt to Surface.

SQZ (1st): Perf: 9-13-2007 @ 8028ft, 4holes: Sqzd w/ 1030sx; Lead 930sxs 50/50Poz, Tail: 100sx class H Neat

Rod Count: 46 - 7/8"C, 68 - 3/4"C, 6 1-1/2" Kbars
Rod Pump: 2-1/2"x1-3/4"x16' RHBC (pump anchor @ 3100')
TAC Set @: 11,591'; 2-7/8" x 5-1/2"
SN: 11,655'
End of Tbg: 11,655' 2-7/8" 6.4# L80 EUE 8rd tbg (363jts)

Original TOC = 9114ft (CBL)
SQZ (1st) TOC = 5706ft (CBL)
SQZ (2nd) TOC = Surface

Perf: 11,673.5 - 74.5ft, 1SPF; 11,676.6 - 77.6ft, 11,679.5 - 81ft, 4SPF.
Spot 500gal 15% HCl NeFe Acid

8-3/4" Hole: Run 5-1/2" 17# P110/N80 LT&C csg set @ 11,687ft.
Cmt 910sx 50:50:2-P,H,Gel+5%Salt+3#/sx LCM +5%FL252%SM.
(Wt: 14.2ppg, Yld=1.3, Wtr=5.57gal/sk)

TD: 11,687ft

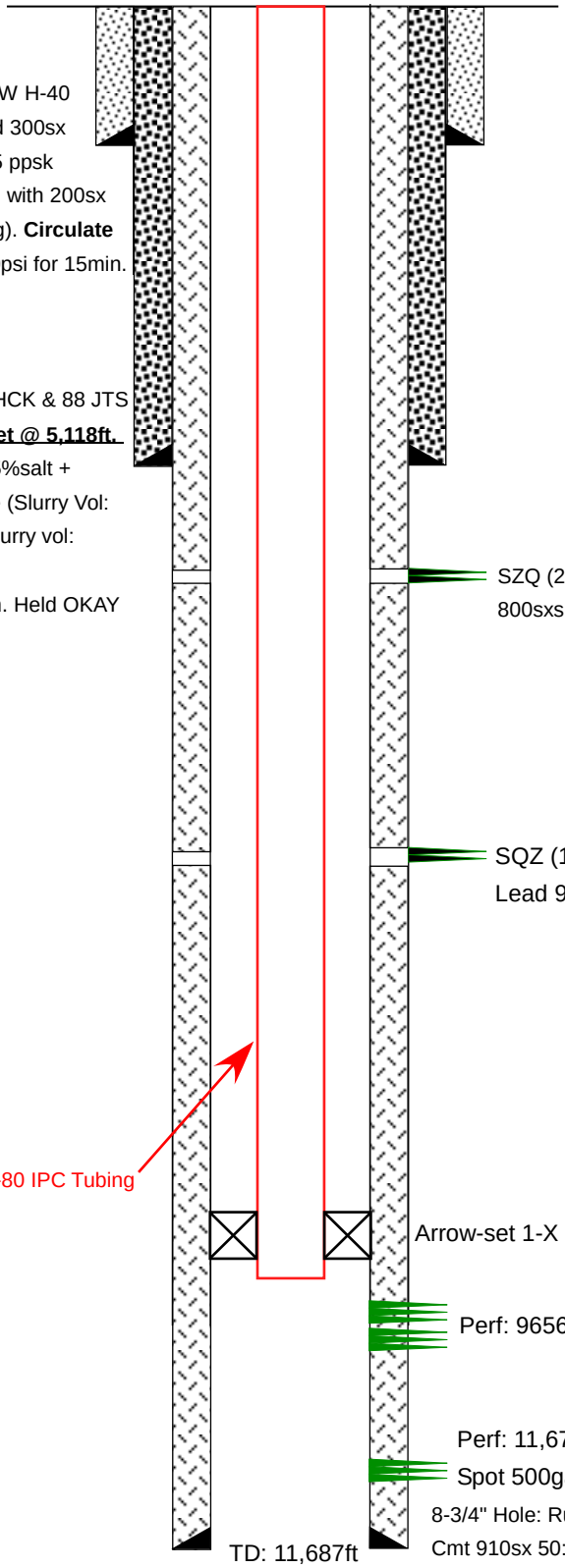
Seguro Oil & Gas, LLC

JCT Federal 7 #1
API: 30-025-38350
Lea Co., NM
Location: 2,100FSL & 547FEL of Section 7, T9S R38E
GL: 3,972ft ; KB: 3,990ft
Well Bore Diagram as of 1-31-2021 ***Proposed*** *WELL BORE DIAGRAM*

Spud: 6-21-2007
Comp: 9-29-2007

Formation Tops

Formation	Top MD	Top (SS)
Rustler:	2,338'	(+1,652')
Yates:	2,882'	(+1,108')
San Andres:	4,263'	(- 273')
Abo:	7,638'	(-3,648')
Wolfcamp:	8,810'	(-4,820')
Three Brothers:	9,246'	(-5,256')
Bough C:	9,492	(-5,502)
Mississippian:	11,408'	(-7418')
Devonian:	11,669'	(-7,679')



17-1/2" Hole: 13 3/8" 48# NEW H-40 ST&C **csg set @ 519ft**. Cmtd 300sx 35:65:6'C' + 2% CaCls + 0.25 ppsk celloflake (1.97/12.5ppg). Tail with 200sx "C" +2% CaCl2 (1.33/14.8ppg). **Circulate 175sx to pit.** Test Csg to 600psi for 15min. Held okay.

12-1/4" Hole: Ran 27jts 40# HCK & 88 JTS 40# J-55 LT&C **9-5/8" Csg set @ 5,118ft.** CMT w/ 1500sx 50/50pox + 5%salt + 10%gel + 0.25ppsk celloflake (Slurry Vol: 654.51). Tail w/200sx neat (slurry vol: 47.73), **Circ 215sx to pits.**
Test csg to 1500psi for 15min. Held OKAY

SZQ (2nd): Perf: 9-18-2007 @ 5680-82ft, 2holes: Sqzd w/ 950sx; Lead 800sxs 50/50Poz, Tail: 150sx class C Neat. Circ Cmt to Surface.

SQZ (1st): Perf: 9-13-2007 @ 8028ft, 4holes: Sqzd w/ 1030sx; Lead 930sxs 50/50Poz, Tail: 100sx class H Neat

Original TOC = 9114ft (CBL)
SQZ (1st) TOC = 5706ft (CBL)
SQZ (2nd) TOC = Surface

9602ft 2-7/8" 6.5# L-80 IPC Tubing

Arrow-set 1-X @ 9606'

Perf: 9656-58', 9706-14', 9763-74', 9802-10'

Perf: 11,673.5 - 74.5ft, 1SPF; 11,676.6 - 77.6ft, 11,679.5 - 81ft, 4SPF.
Spot 500gal 15% HCl NeFe Acid

8-3/4" Hole: Run 5-1/2" 17# P110/N80 LT&C csg set @ 11,687ft.
Cmt 910sx 50:50:2-P,H,Gel+5%Salt+3#/sx LCM +5%FL252%SM.
(Wt: 14.2ppg, Yld=1.3, Wtr=5.57gal/sk)

TD: 11,687ft

JCT 7 Federal #1
Lea County, New Mexico
Notified on March 10, 2021

SURFACE OWNER OF RECORD TO PROPOSED SWD

SW/4, W/2SE/4 and NE/4SSE/4, Section 7 (also described as S ½ Section 7)

Tommy Gene Gandy
1646 St., 408 Hwy
Crossroads, NM 88114

OFFSET OPERATORS WITHIN ½ MILE OF PROPOSED SWD

Kem Ventures, LP
22136 Westheimes Parkway #358
Katy, Texas 77450

Prime Operating Company
3300 N. "A" Street, #1-238
Midland, TX 79705

A copy of the New Mexico OCD Form C-108 was mailed to the above-named Surface Owners and Offset Operators on the date stated.

S. Paul Anderson
President

7019 2280 0001 0807 7015

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☐ Return Receipt (hardcopy)	$2.85
☐ Return Receipt (electronic)	$0.00
☐ Certified Mail Restricted Delivery	$0.00
☐ Adult Signature Required	$0.00
☐ Adult Signature Restricted Delivery	$
Postage	$0.75
Total Postage and Fees	$7.20

0702 03

Postmark Here

03/10/2021

Sent To: KEM Ventures, LP
Street and Apt. No., or PO Box No.: 22136 Westheimes Pky #358
City, State, ZIP+4®: Katy, Texas 77450

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7019 2280 0001 0807 7039

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Extra Services & Fees (check box, add fee as appropriate)	
☐ Return Receipt (hardcopy)	$0.00
☐ Return Receipt (electronic)	$0.00
☐ Certified Mail Restricted Delivery	$0.00
☐ Adult Signature Required	$0.00
☐ Adult Signature Restricted Delivery	$
Postage	$0.75
Total Postage and Fees	$7.20

0702 03

Postmark Here

03/10/2021

Sent To: Tommy Gene Gandy
Street and Apt. No., or PO Box No.: 1646 St. 508 Hwy
City, State, ZIP+4®: Crossroads, NM 88114

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7019 2280 0001 0807 7022

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Extra Services & Fees (check box, add fee as appropriate)	
☐ Return Receipt (hardcopy)	$0.00
☐ Return Receipt (electronic)	$0.00
☐ Certified Mail Restricted Delivery	$0.00
☐ Adult Signature Required	$0.00
☐ Adult Signature Restricted Delivery	$
Postage	$0.75
Total Postage and Fees	$7.20

0702 03

Postmark Here

03/10/2021

Sent To: Prime Operating Co,
Street and Apt. No., or PO Box No.: 3300 N. A" Street, #1-238
City, State, ZIP+4®: Midland, TX 79705

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

UNITED STATES POSTAL SERVICE.

DOWNTOWN MIDLAND
100 E WALL ST
MIDLAND, TX 79701-9998
(800)275-8777

03/10/2021 11:07 AM

Product	Qty	Unit Price	Price
First-Class Mail® Letter Midland, TX 79705 Weight: 0 lb 1.50 oz Estimated Delivery Date Sat 03/13/2021	1		$0.75
Certified Mail® Tracking #: 70192280000108077022			$3.60
Return Receipt			$2.85
Total			$7.20
First-Class Mail® Letter Crossroads, NM 88114 Weight: 0 lb 1.50 oz Estimated Delivery Date Sat 03/13/2021	1		$0.75
Certified Mail® Tracking #: 70192280000108077039			$3.60
Return Receipt			$2.85
Total			$7.20
First-Class Mail® Letter Katy, TX 77450 Weight: 0 lb 1.50 oz Estimated Delivery Date Mon 03/15/2021	1		$0.75
Certified Mail® Tracking #: 70192280000108077015			$3.60
Return Receipt			$2.85
Total			$7.20
Grand Total:			$21.60
Debit Card Remitted Card Name: VISA Account #: XXXXXXXXXXXX8695 Approval #: 016954 Transaction #: 548 Receipt #: 028859 Debit Card Purchase: $21.60 AID: A0000000980840 Chip AL: US DEBIT PIN: Verified			$21.60

****
USPS is experiencing unprecedented volume increases and limited employee availability due to the impacts of COVID-19. We appreciate your patience.
****

Text your tracking number to 28777 (2USPS) to get the latest status. Standard Message and Data rates may apply. You may also visit www.usps.com USPS Tracking or call 1-800-222-1811.

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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
March 11, 2021
and ending with the issue dated
March 11, 2021.

Publisher

Sworn and subscribed to before me this
11th day of March 2021.

Business Manager

My commission expires
January 29, 2023
(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires 1-29-23

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGALS

LEGAL NOTICE
March 11, 2021

NOTICE

Seguro Oil and Gas LLC, has filed a form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to convert the JCT 7 Federal #1 well to a water disposal well.

The JCT 7 Federal #1 SWD is located in Unit I, Section 7, Township 9S, Range 38E, 2100 FSL and 547 FEL in Lea County, New Mexico.

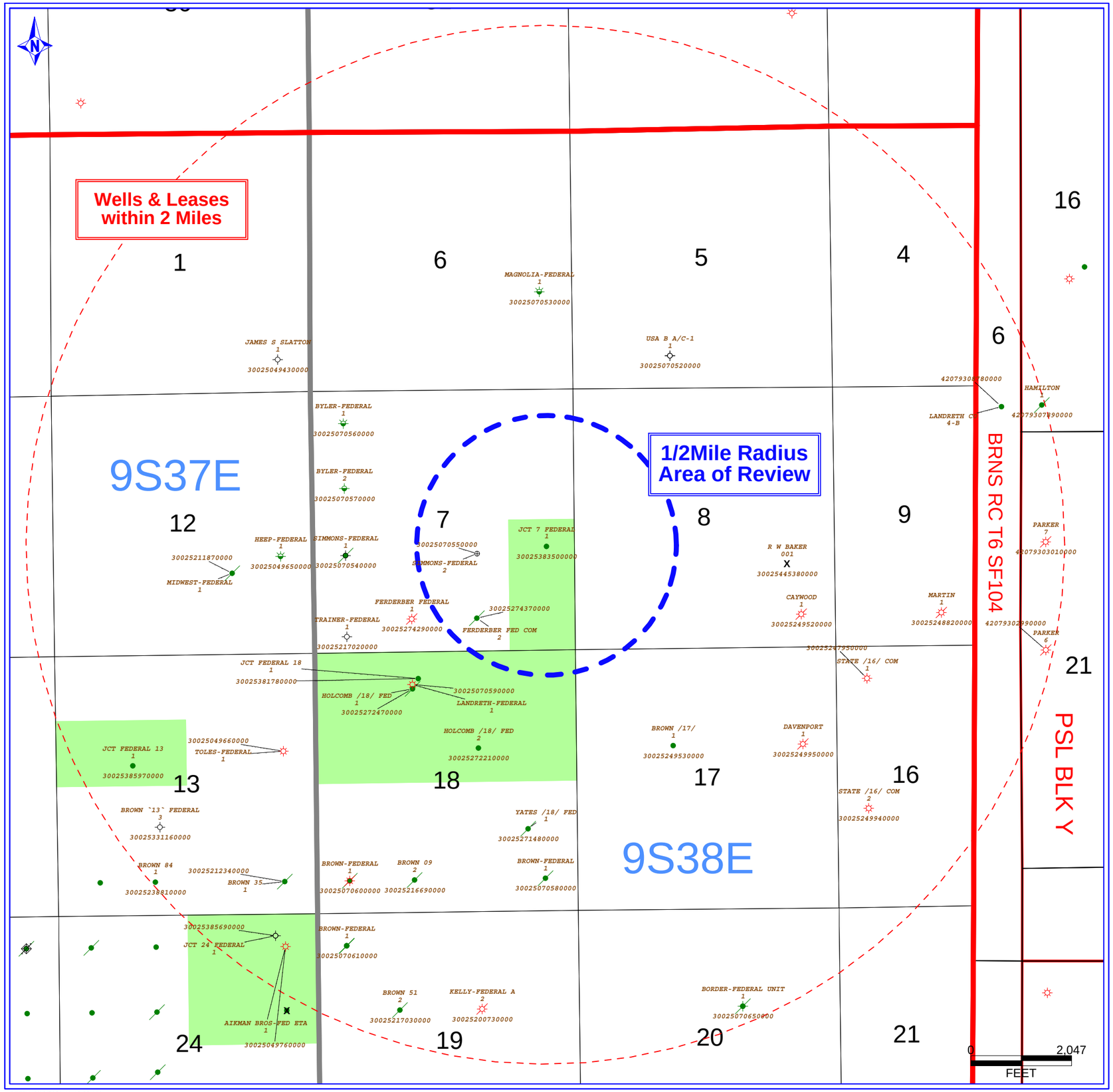
The well will dispose of water produced from nearby operated oil and gas wells into the Pennsylvanian and Devonian formations into an open-hole interval from a depth of 9,656 feet to 11,681 feet at an expected maximum injection rate of 3,000 BWPD, at a maximum injection pressure of 2,300 psi.

Interested parties must file objections or requests for hearings with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days. The name and address of the contact party for the application is Paul Anderson, Seguro Oil and Gas, LLC, PO Box 3176, Midland, TX 79702, (432) 219-0740 Ext. 10. The well is located approximately 24 miles, NE of Tatum, New Mexico.

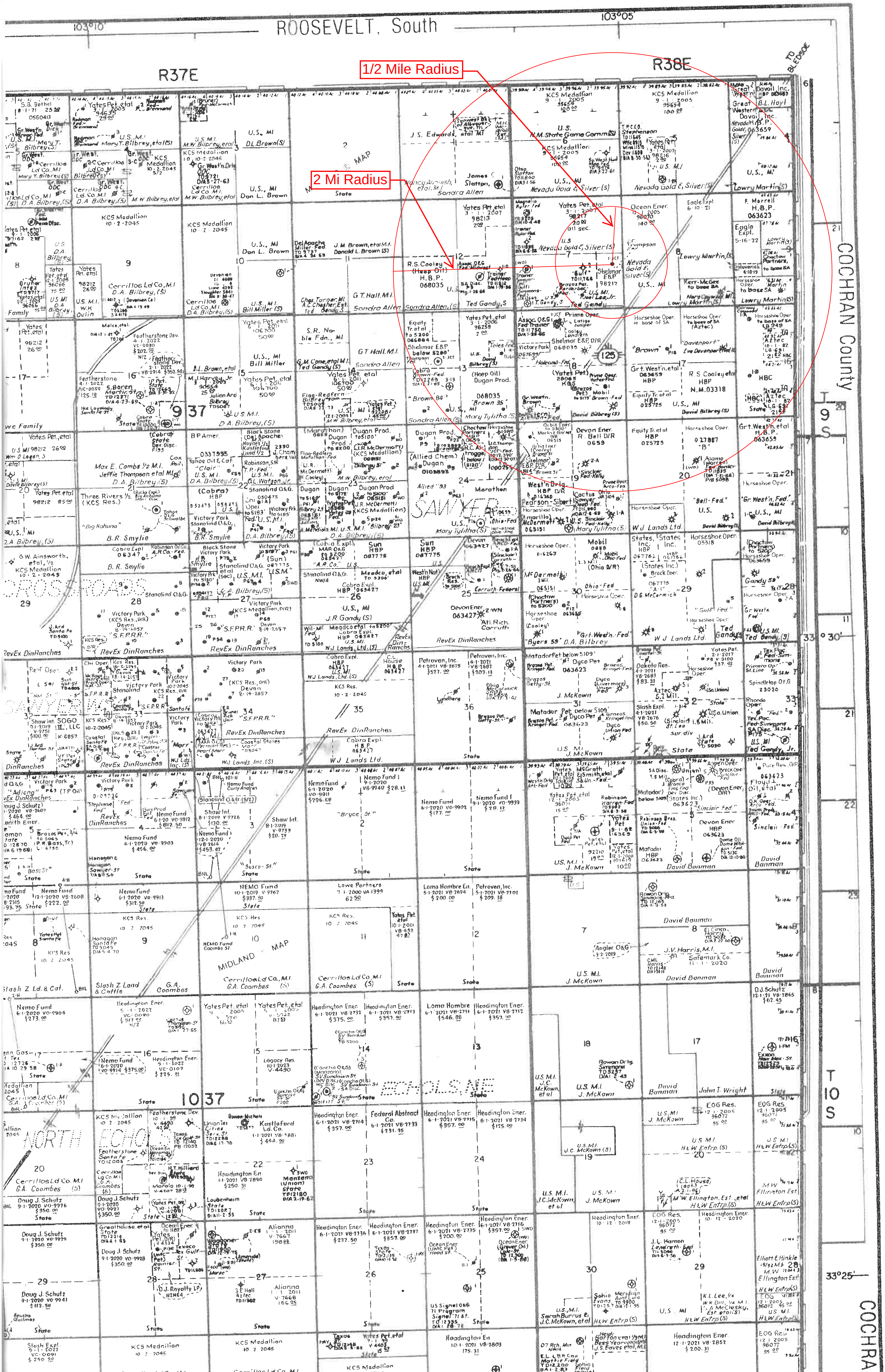
#36281

67116691 00251925

DONNA STURDIVANT
SEGURO OIL AND GAS, LLC
,



PETRA 2/19/2021 11:46:20 AM


ROOSEVELT, South
103°10'
103°05'
R37E
R38E
1/2 Mile Radius
2 Mi Radius
COCHRAN County
T 9 S
T 10 S
33°30'
33°25'
COCHRAN
TO BLEDSOE
SAWYER
CROSSROADS
MIDLAND MAP
NORTH ECHOLS
ECHOLS, NE

Brazos Petroleum Co.

Ferderber Fed Com #2

API: 30-025-2737

Lea Co., NM

Location: 660FSL & 1980FEL of Sec 7, T9S R38E

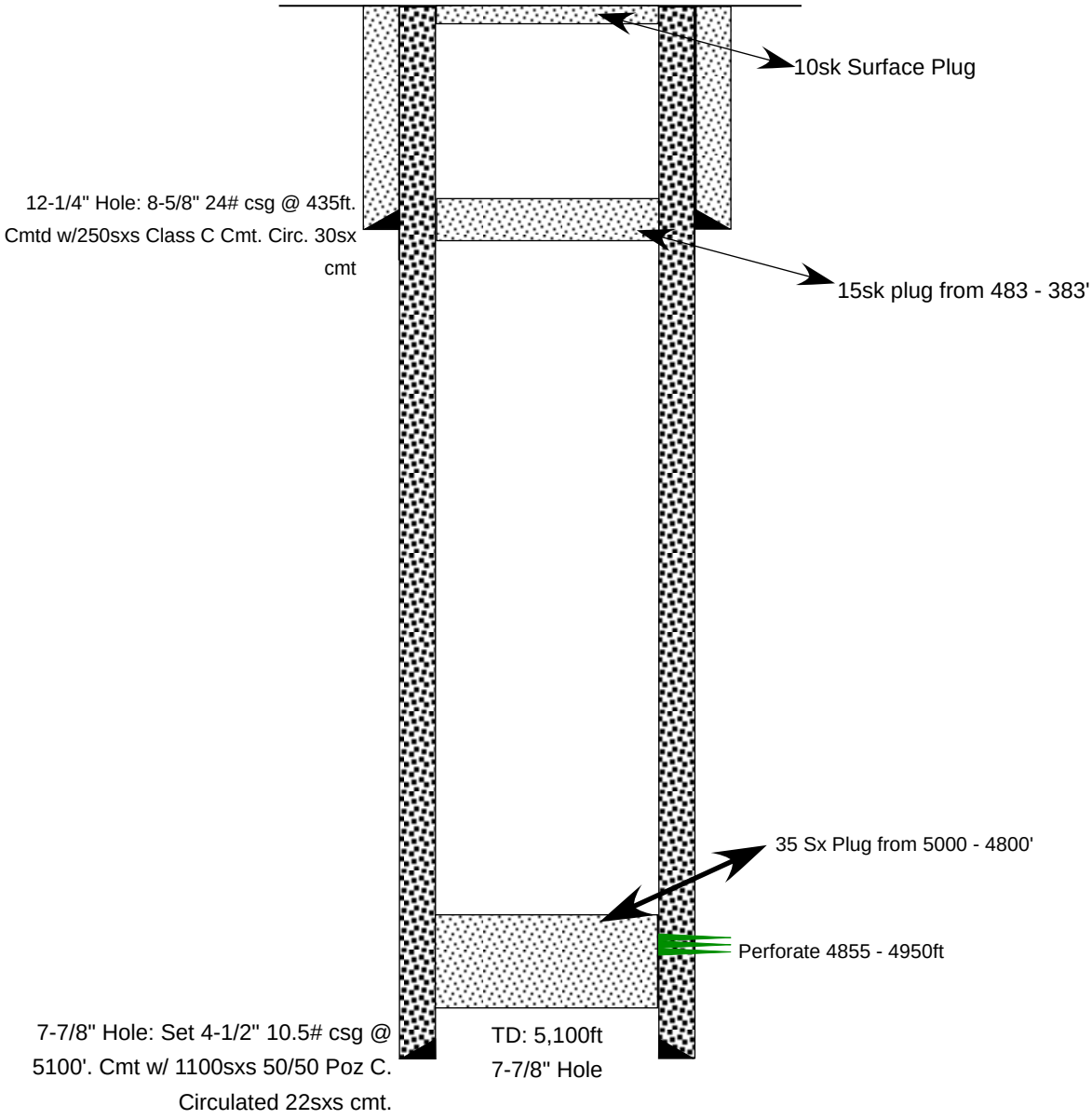
GL: 3967ft ; KB: 3977ft

Well Bore Diagram as of 2-23-2021 ***Actual*** *WELL BORE DIAGRAM*

Spud: 6-6-1957

Formation Tops

Formation	Top MD	Top (SS)
T/ Rustler:	2,270'	(+1,707')
T/Yates:	2,876'	(+1,101')
T/San Andres:	4,240'	(-263')



Gulf Oil Corporation

Simmons-Federal #2

API: 30-025-07055

Lea Co., NM

Location: 1980FSL & 1980FEL of Sec 7, T9S R38E

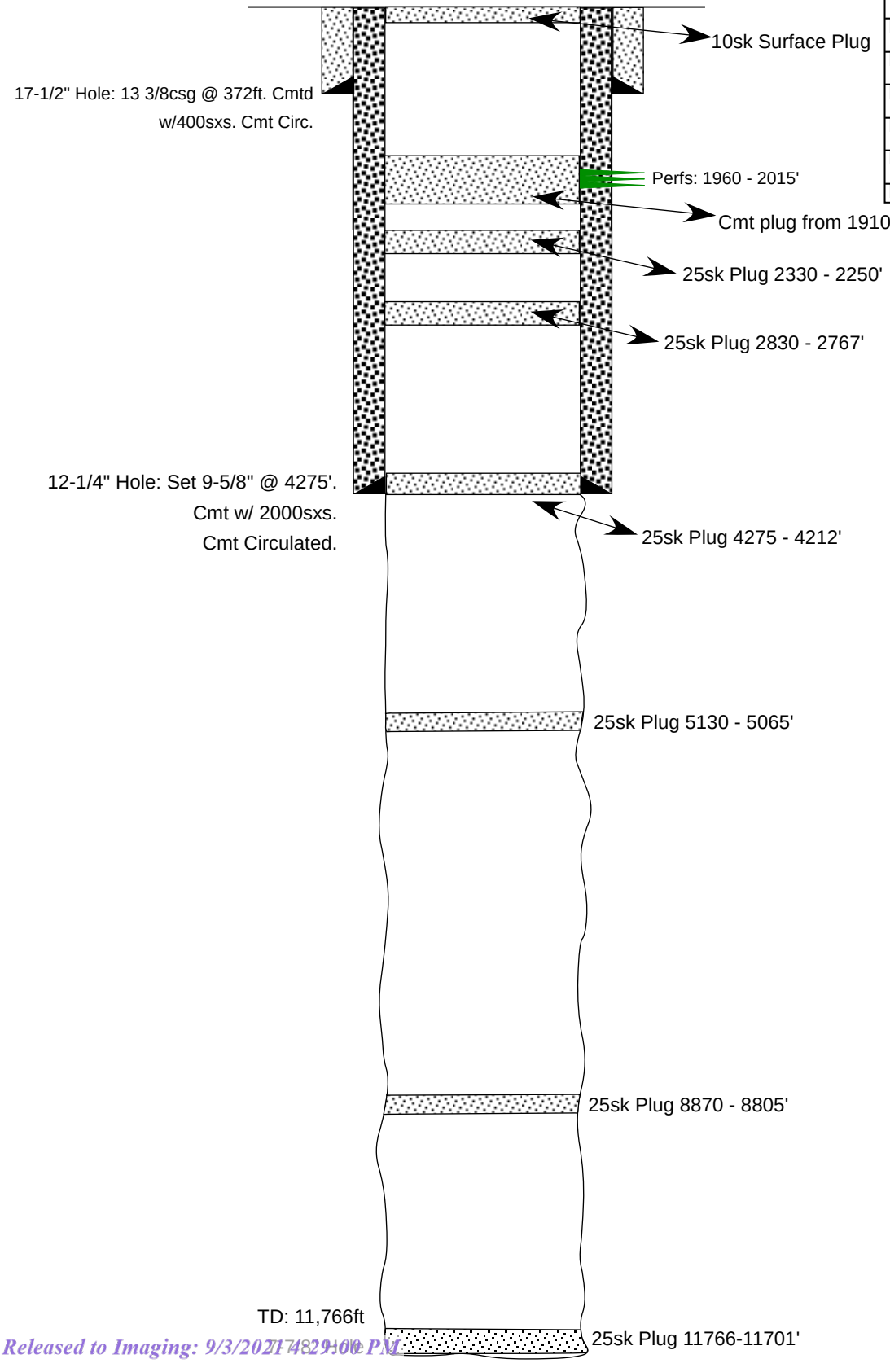
GL: 3976ft ; KB: 3988ft

Well Bore Diagram as of 2-23-2021 ***Actual*** *WELL BORE DIAGRAM*

Spud: 5-21-1957

Formation Tops

Formation	Top MD	Top (SS)
T/ Rustler:	2,290'	(+1,698')
T/Salt:	2,360'	(+1,628')
B/Salt:	2,760'	(+1,228')
T/Yates:	2,878'	(+1,110')
T/San Andres:	4,155'	(-167')
T/ Glorietta:	5,570'	(-1,582')
T/Tubb:	6,919'	(-2,931')
T/Abo:	7,630'	(-3,642')
T/Hueco:	8,922 '	(-4,934')
T/Bough C:	9,484'	(-5,496')
T/Miss:	11,462'	(-7,474')
T/Devonian:	11,754'	(-7,766')



TABULATION OF WELLS WITHIN .5 MILE RADIUS OF THE JCT 7 FEDERAL #1

Simmons-Federal #2
API# 30-025-07055

Ferderber Federal Com #2
API# 30-025-27437

Data prepared by: Kenneth W. Keene
Affiliation: The Roswell Geological Society
Date: 5-1-56

Field Name: Allison (Pennsylvanian)
Location: T. 9S., R. 36E.
County & State: Lea County, New Mexico

DISCOVERY WELL: Warren #1 Federal Mills COMPLETION DATE: 2-16-54

PAY ZONE: The Allison field produces from the Bough "C" zone which is a fine crystalline, tan and gray, vuggy limestone. This zone carries late Cisco fossils indicating that the Bough "C" zone is Pennsylvanian in age.

TYPICAL CORE ANALYSIS OF A PAY INTERVAL IN THIS FIELD:

Perm. in millidarcys		% Porosity	Liquid Saturation (% of pore space)	
Horizontal	Vertical		Water	Oil
281	95	6.6	35.8	5.5

OTHER SHOWS ENCOUNTERED IN THIS FIELD: Basal Abo @ 9,000 feet: Fine crystalline sucrosic dolomite. Thickness normally 10 feet.

TRAP TYPE: Stratigraphic
NATURE OF OIL: Gravity 48° - 49° A.P.I.
NATURE OF GAS: 3 1/2 gallons distillate per 1,000 cubic feet of sweet gas.
NATURE OF PRODUCING ZONE WATER: Resistivity: .07 ohm-meters @ 75 °F.

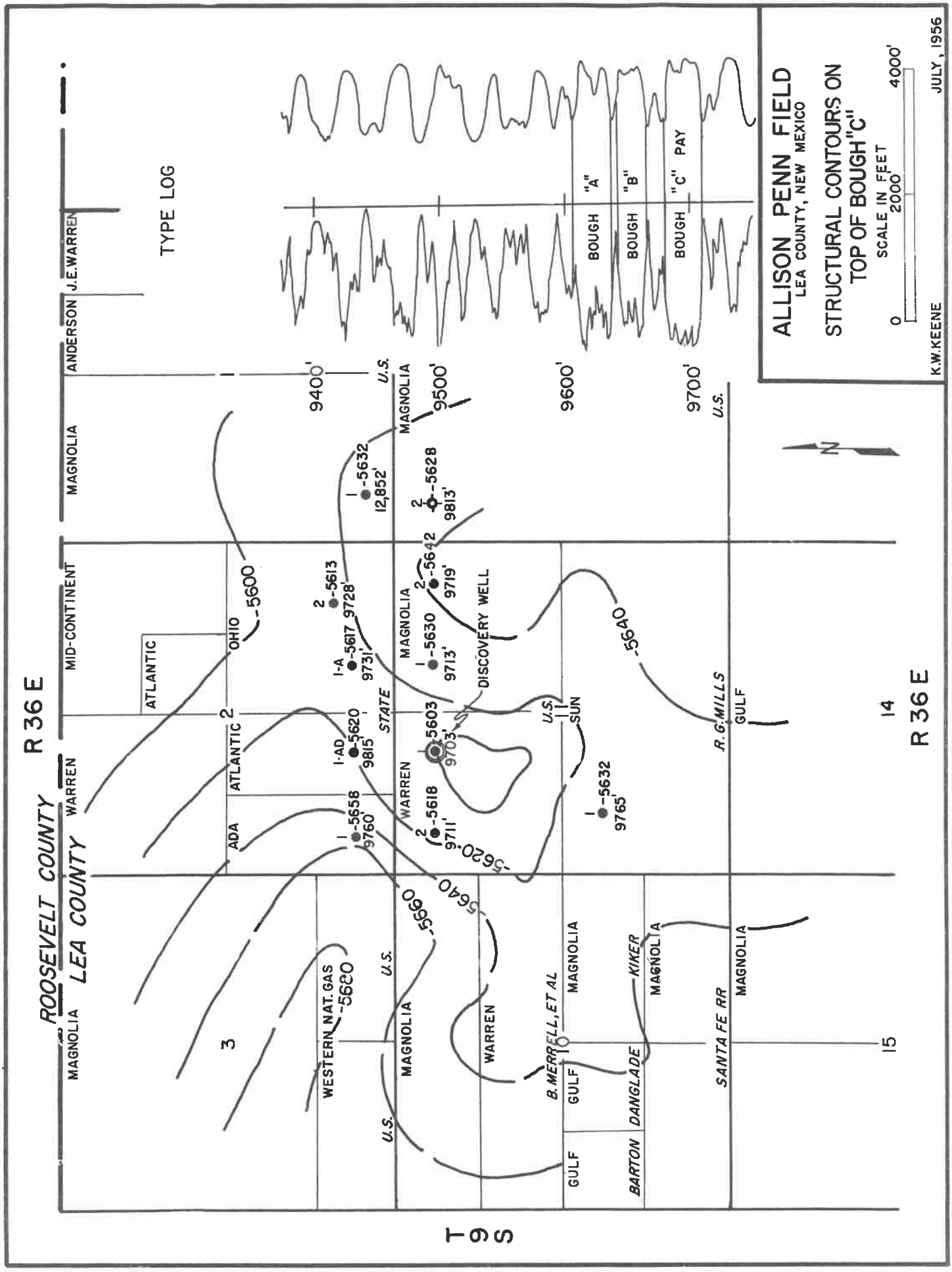
	Total Solids	Na/K	Ca	Mg	Fe	SO_4	Cl	CO_2	HCO_3	OH	H_2S
ppm		37,300	6,080	1,895	Tr	675	73,120	377			None

INITIAL FIELD PRESSURE: 3,363 psi (8-26-54) at a depth of 5,600 feet below sea level
TYPE OF DRIVE: Water drive
NORMAL COMPLETION PRACTICES: Production string either set above the porosity and produced open hole or set through and perforated at operators discretion.

PRODUCTION DATA: (Discovery well completed February 16, 1954)

Year	Type	No. of wells @ yr. end Prod.	Shut in or Abnd.	Production Oil in barrels Gas in MMCF Annual	Cumulative	Year	Type	No. of wells @ yr. end Prod.	Shut in or Abnd.	Production Oil in barrels Gas in MMCF Annual	Cumulative
1941	oil					1949	oil				
	gas						gas				
1942	oil					1950	oil				
	gas						gas				
1943	oil					1951	oil				
	gas						gas				
1944	oil					1952	oil				
	gas						gas				
1945	oil					1953	oil				
	gas						gas				
1946	oil					1954	oil	5	0	145,247	145,247
	gas						gas				
1947	oil					1955	oil	8	0	317,053	462,300
	gas						gas				
1948	oil					1956*	oil	9	0	126,719	589,019
	gas						gas				

* 1956 Figure is production to 5-1-56.


ALLISON PENN FIELD
LEA COUNTY, NEW MEXICO
STRUCTURAL CONTOURS ON
TOP OF BOUGH "C"
SCALE IN FEET
0
2000'
4000'
JULY, 1956
K.W.KEENE
TYPE LOG
BOUGH "A"
BOUGH "B"
BOUGH "C" PAY
ROOSEVELT COUNTY
LEA COUNTY
R 36 E
R 36 E
T 9 S
MAGNOLIA
ANDERSON
J.E.WARREN
MID-CONTINENT
ATLANTIC
OHIO
ADA
WARREN
STATE
DISCOVERY WELL
R.G.MILLS
GULF
SUN
WESTERN NAT. GAS
B.MERRELL, ET AL
KIKER
DANGLADE
BARTON
SANTA FE RR
U.S.
9400'
9500'
9600'
9700'
-5600
-5620
-5640
-5660
1-5632 12,852'
2-5628 9813'
2-5642 9719'
2-5613 9728'
1-A-5617 9731'
1-5630 9713'
1-AD-5620 9815'
5603 9703'
1-5658 9760'
2-5618 9711'
1-5632 9765'
3
14
15

 1956 Book

Data prepared by: T.G. Kelliher, Jr.
Affiliation: Warren Petroleum Corp.
Date: 12-11-56

Field Name: Sawyer (Devonian)
Location: T. 9 S., R. 38 E., Sec. 7
County & State: Lea County, New Mexico

DISCOVERY WELL: Warren Pet. Corp. Fed. Simmons #1 COMPLETION DATE: 8-13-55
PAY ZONE: Devonian dolomite, medium coarse crystalline white and buff, with vuggy porosity. The original oil water contact was at a depth of 7,675 feet below sea level.

TYPICAL CORE ANALYSIS OF A PAY INTERVAL IN THIS FIELD: None available

Perm. in millidarcys		% Porosity	Liquid Saturation (% of pore space)	
Horizontal	Vertical		Water	Oil

OTHER SHOWS ENCOUNTERED IN THIS FIELD: The San Andres formation was cored and showed good signs of oil, but upon analysis proved to be non-productive.

TRAP TYPE: Faulted anticline
NATURE OF OIL: Gravity 42.7° A.P.I.
NATURE OF GAS:
NATURE OF PRODUCING ZONE WATER: .1 Resistivity: ohm-meters @ °F.

	Total Solids	Na+K	Ca	Mg	Fe	SO_4	Cl	CO_2	HCO_3	OH	H_2S
ppm	93,666	29,573	1,200	778	G. Tr.	1,800	60,000		315		None

INITIAL FIELD PRESSURE: 4,607 psi.
TYPE OF DRIVE: Water drive.
NORMAL COMPLETION PRACTICES: Electric logs were run with guard logs and radioactivity logs through the Devonian. Production string was set into the pay and perforated.

PRODUCTION DATA:

Year	Type	No. of wells @ yr. end Prod.	Shut in or Abnd.	Production Oil in barrels Gas in MMCF Annual	Cumulative	Year	Type	No. of wells @ yr. end Prod.	Shut in or Abnd.	Production Oil in barrels Gas in MMCF Annual	Cumulative
1941	oil					1949	oil				
	gas						gas				
1942	oil					1950	oil				
	gas						gas				
1943	oil					1951	oil				
	gas						gas				
1944	oil					1952	oil				
	gas						gas				
1945	oil					1953	oil				
	gas						gas				
1946	oil					1954	oil				
	gas						gas				
1947	oil					1955	oil	1		32,419	32,419
	gas						gas				
1948	oil					1956*	oil	1		25,400	57,819
	gas						gas				

* 1956 Figure is production to 5-1-56.

NOTE: No Devonian map is included. For nature of shallow structure refer to Sawyer (San Andres).

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 03881		L	LE			1	05	09S	38E	678624	3715794*	70	40	30
L 14059 POD1		L	LE	3	2	3	31	09S	38E	677196	3706991	312	158	154
L 14171 POD1		L	LE	2	4	3	32	09S	38E	679003	3706894	285		

Average Depth to Water: **99 feet**

Minimum Depth: **40 feet**

Maximum Depth: **158 feet**

Record Count: 3

Basin/County Search:

County: Lea

PLSS Search:

Township: 09S **Range:** 38E

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 13228 POD1		L	LE	3	4	2	30	08S	38E	669614	3621695	200	60	140

Average Depth to Water: **60 feet**

Minimum Depth: **60 feet**

Maximum Depth: **60 feet**

Record Count: 1

Basin/County Search:

County: Lea

PLSS Search:

Township: 08S **Range:** 38E

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

Basin/County Search:

County: Lea

PLSS Search:

Township: 08S **Range:** 37E

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 12174 POD1		L	LE	3	3	1	03	09S	37E	671884	3715421	244		
L 14231 POD1		L	LE	4	1	3	27	09S	37E	672285	3708474	18		
L 14231 POD2		L	LE	4	1	3	27	09S	37E	672259	3708473	26		
L 14231 POD3		L	LE	4	1	3	27	09S	37E	672259	3708473	30		
L 14231 POD4		L	LE	4	1	3	27	09S	37E	672285	3708474	18		
L 14231 POD5		L	LE	4	1	3	27	09S	37E	672259	3708473	30		
L 14777 POD1		L	LE	1	3	3	28	09S	37E	670317	3708208	158	130	28

Average Depth to Water: **130 feet**

Minimum Depth: **130 feet**

Maximum Depth: **130 feet**

Record Count: 7

Basin/County Search:

County: Lea

PLSS Search:

Township: 09S **Range:** 37E

JCT Federal & #1
(API = 30-025-38350)
2,100 FSL and 547' FEL
Section 7, T-9-S, R-38-E
Lea County, New Mexico
GL=3972' KB=3990'
KB=18' above GL

Convert well to water injection

1. MIRU workover rig. Unseat pump and PU tubing. POOH and LD rods and pump. ND wellhead. NU BOP. POOH production tubing. Please note that the T.A.C. is set at 11,591', but the SN is at 3100'. Tubing could be corroded below the S.N. Check string wt prior to pulling out of the hole. Inspect well head for corrosion. Make sure wellhead will not be an issue during MIT test later in the procedure. Have racks for new IPC tubing and stab-in guide for new IPC tubing.

2. PU 4-3/4" used bit and 5.5" 17# casing scraper and RIH w/ production tubing Hydrotest to tubing to 9,000 psig. RIH to +/- 10,000'. POOH Leaving tubing in the derrick. LD bit and scrapper. PU and RIH with treating packer. RIH and set packer at +/- 10,000'. Pressure up on the back side and confirm that the squeeze holes at 5680-82' and 8028' do not leak. At this point. Rig up pump truck and pump into the Devonian perforations (11,673'-11,681'). Establish rate and pressure. At this point, determine if Devonian perforations should be included in the disposal interval. If the Devonian does not provide commercial disposal rates, plan to set the CIBP as shown in **Step 3.**

3. MIRU wireline unit. PU and RIH with 5.5" CIBP and set CIBP at 11623'. Spot cement on top CIBP. Pressure up and 500 psig and test CIBP and the two sets of squeeze holes at 5680-5682 and 8028'. PU and RIH with 4" casing guns. Perforate as follows: 9656'-9658' (6 spf 60 degree phasing), 9706'-9714' (6 spf 60 degree phasing), 9763'-9774' (6 spf 60 degree phasing), and 9802'-9810' (6 spf 60 degree phasing). POOH and RD wireline unit.

4. PU and RIH with Ni-Cr coated Arrow-set 1-X packer (Ni-Cr coated Baker Model "R" DG will also work). RIH with new 2-7/8" 6.4# IPC EUE injection string tubing. Set packer at +/- 9606'. Load back side with fresh water packer fluid. ND BOP, NU wellhead. Plan to have a new ring gasket on location. Test back side to 500 psig and run a chart for thirty minutes or per NMOCD regulations.

5. Be prepared to have enough produced water on location to run a step-rate test.

6. Run a step-rate test and determine maximum injection pressure before exceeding break-down pressure. Start at NMOCD injection gradient pressure initially, and then move injection rate up in steps. RDMOSU.

JCT Federal & #1
(API = 30-025-38350)
2,100 FSL and 547' FEL
Section 7, T-9-S, R-38-E
Lea County, New Mexico
GL=3972' KB=3990'
KB=18' above GL

Page 2 Convert well to injection

7. Re-configure the existing injection lines and be prepared to tie well in to the transferred or newly built injection facilities. Do not start injection unless the BLM and NMOCD have approved subject well for injection.

OPERATIONAL DETAILS

1. Avg Injection-2000bw/d, Max Injection-3000bw/d
2. Open System
3. 2,300psi, pending step rate test

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 20829

CONDITIONS

Operator: SEGURO OIL AND GAS, LLC 407 N Big Spring St, Ste 215 Midland, TX 79702	OGRID: 372066
	Action Number: 20829
	Action Type: [C-108] Fluid Injection Well (C-108)

CONDITIONS

Created By	Condition	Condition Date
drose	Type of injection: Operator Disposal Injection fluid: Class II UIC (Produced Water) Injection interval: 11,669 feet to 11,687 feet Injection interval thickness (feet): 18 Confining layer(s): Woodford formation (upper) Montoya formation (lower) Prohibited injection interval(s): Any formation above or below the permitted injection interval including lost circulation intervals. Liner, tubing, and packer set: 2.875-inch tubing within 5.5-inch production casing and packer set within 100 ft from the top of the injection interval. Maximum daily injection rate: 3000 BWPD Maximum surface injection pressure: 2313 PSI	9/3/2021