



CURRENT WELL CONFIGURATION
(Based on Well File Review 1/11/2022)

Gulf State Well No.2 - SWD

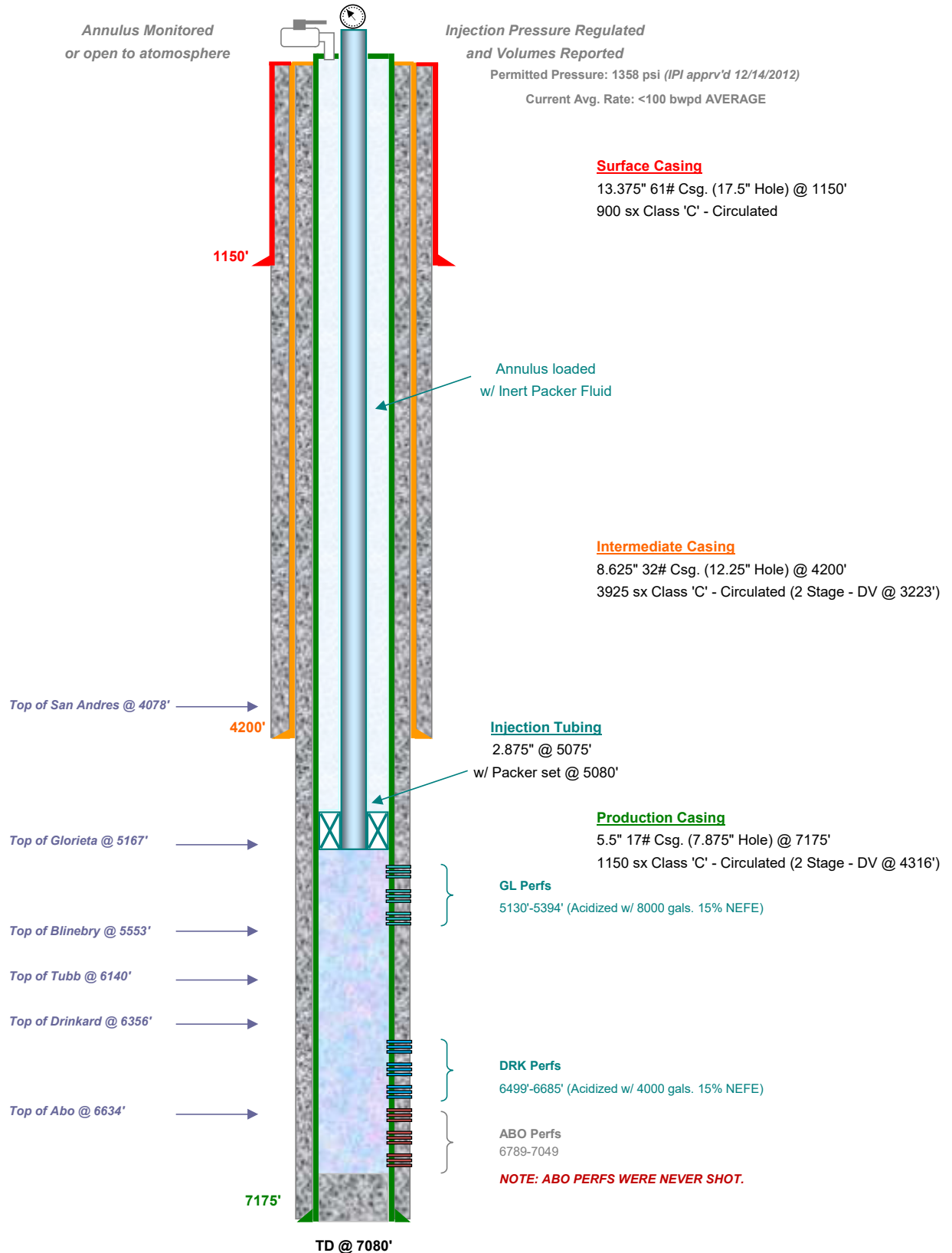
API 30-025-28425

660' FSL & 1980' FWL, SEC. 2-T23S-R37E
LEA COUNTY, NEW MEXICO

Spud Date: 10/13/1983

P&A Date: 9/11/1984

Re-entry Dt: 8/23/2012



Drawn by: Ben Stone, Rvs'd 1/11/2022



January 12, 2022

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

Attn: Mr. Brandon Powell, Engineering Bureau Supervisor

***Re: Seismicity Response for Cameron Oil & Gas, Inc.'s Gulf State SWD #2 located in
Sec.2, 23 South, 37 East, Lea County, New Mexico and within the Jal Seismic Response Area***

Dear Mr. Powell,

Please find the enclosed Seismicity Response Protocol Information Form, with attachments, per your request dated January 7, 2022. The currently defined JSRA had been established from previous seismic events and as it turns out, the area experienced another earthquake yesterday, shown by the USGS to be M2.0. The previous identifying quakes ranged from M1.8 to 2.7 distributed among at least 16 events since approximately August 2021.

Cameron's desire is to help the NMOCD with regards to monitor this activity and to respond accordingly. Cameron also commits to assist in the efforts to attempt to reduce potential affects of induced seismicity through appropriate monitoring and possible reduction of injection volumes, rates and pressures.

We believe you'll see that this well is very low-rated and injects comparatively small volumes at little or no pressure. We don't believe the operation of this well can possibly impact the geomechanics of the area in a negative way. Having stated that, Cameron would like to request that at the current operation levels, reporting via the C-115 form would satisfy the OCD's need for data in relation to operations that COULD cause some impact to geologic stability.

We appreciate that the OCD and others are responding to the concerns through swift and appropriate actions. Our hope is that by understanding there are some wells with insignificant volumes and pressures, there may be some allowance for leniency of certain reporting requirements. Still, with regards to this well, as earthquakes occur, Cameron is happy to inspect its facilities and equipment and report on the Seismicity Response form to keep the OCD apprise of any information or data that is helpful in the effort to mitigate induced seismicity to the extent possible and practicable.

If or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone".

Ben Stone, Partner
SOS Consulting, LLC, Agent for Cameron Oil & Gas, Inc.

Cc: Application attachment and file

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit electronically
Via E-permitting

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

Seismicity Response Protocol Information Form

This form must be completed as part of OCD's Seismicity Response Protocol and updated after any qualifying event thereafter.

Applicability: This form must be completed for each well classified as an Underground Injection Control (UIC) Class II disposal wells or Class II enhanced recovery injection well with active injection authority (wells). "Active injection authority" means a well that is authorized to inject pursuant to an administrative permit or hearing order. This includes wells that have an approved Application for Permit to Drill and have an approved injection permit but have not yet been drilled or commenced injection.

Well Information

I. Operator: Cameron Oil & Gas, Inc. **OGRID:** 181109 **OCD notification date** 1/07/2022

Well Name Gulf State SWD #2 **API#** 30-025-28452

II. Type of Notification: ☒ Original ☐ Amendment ☐ Other

If Other, please describe: _____

III. Seismic event information: Magnitude M2.0 * **Location** 32.2238 lat, -103.1074 long. , **Date of occurrence** 1/11/2022

Source of information (i.e. USGS, NMTSO, TexNet, other) USGS **Depth of occurrence** 8.6

IV. Well(s): Provide the following information for each well permitted within a 10-mile proximity of the epicenter.

| Injection Order | Distance from epicenter | Perforated and/or open-hole interval (Vertical Depth) | Formation/s completed |
|-----------------|-------------------------|---|-----------------------|
| SWD-1342-A | 8.7 miles | Perfs: 5130'-5394', 6499'-6685' | Glorieta / Drinkard |

V. ☐ An updated well bore diagram is required to be attached, which identifies the current injection intervals (perforations and/or open hole), formation tops, measured depth, vertical depths and Sub-Sea True vertical depths.

VI. Well Information Prior to Injection Volume Reduction: Provide the following information for each well identified in Section IV. Daily rates and pressures are based on the active injection days during the prior 6-month period.

| Avg daily injection rate (prior to reduction) | Avg injection daily pressure (prior to reduction) | Well Type (Commercial, lease only, single operator) |
|---|---|---|
| <100 bwpd avg. | 900 down to 0 psi | single operator |

VII. Well Information After Injection Volume Reduction: Provide the following information for each well identified in Section IV.

| Avg daily injection rate limit (post reduction) | Avg injection daily pressure limit (post reduction) | Reduction % | Reduction start date | Reduction achieved date |
|---|---|-------------|----------------------|-------------------------|
| <100 bwpd avg. | 900 to 0 psi | n/a | n/a | n/a |

* Most recent event - JSRA designation was based on previous events ranging from M1.8 to 2.7 over the last several months.

Acknowledgments

Operator acknowledges that it must take the following actions as part of its seismic response protocol:

- ☒ Operator shall report the daily injection volumes and pressures for each well on a weekly basis on the form prescribed by the OCD. The report is due on the Wednesday the week following the weekly monitoring interval. **Exception requested for low volume reports to continue on C-115.**
- ☒ Operator shall start or continue to digitally measure injection volumes and pressures for each well at a minimum of an hourly basis, and shall archive the data and make it available to OCD upon receipt of a written request. **Exception requested due to automated injection at very low rates and pressures.**
- ☒ Operator shall monitor seismicity events with magnitudes equal to or greater than M2.5 within a radius of 10 miles around each well using USGS / NMTSO data, and shall archive the data and make it available to OCD upon receipt of a written request.
- ☒ Operator shall notify OCD and provide updated pertinent well information within 24 hours of an event greater than M 2.5 within a radius of 10 miles around each well using this OCD form.
- ☒ After each event greater than M 2.5 within a radius of 10 miles around each well, Operator shall inspect well head and well equipment of each well to ensure proper working order. As part of this inspection, Operator should evaluate whether a Bradenhead test or MIT is warranted to ensure wellbore integrity.

I certify that, after reasonable inquiry and based on the available information at the time of submittal, this Seismic Information Form is true and correct to the best of my knowledge, and I acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:



Printed Name:

Ben Stone

Title:

Agent for Cameron Oil & Gas, Inc.

E-mail Address:

ben@sosconsulting.us

Date:

January 13, 2022

Phone:

903-488-9850

Cameron Oil & Gas, Inc.

Gulf State #2 SWD; 30-025-28425; N-2-23S-37E, Lea County; SWD-1342-A

Seismic Review – January 13, 2022

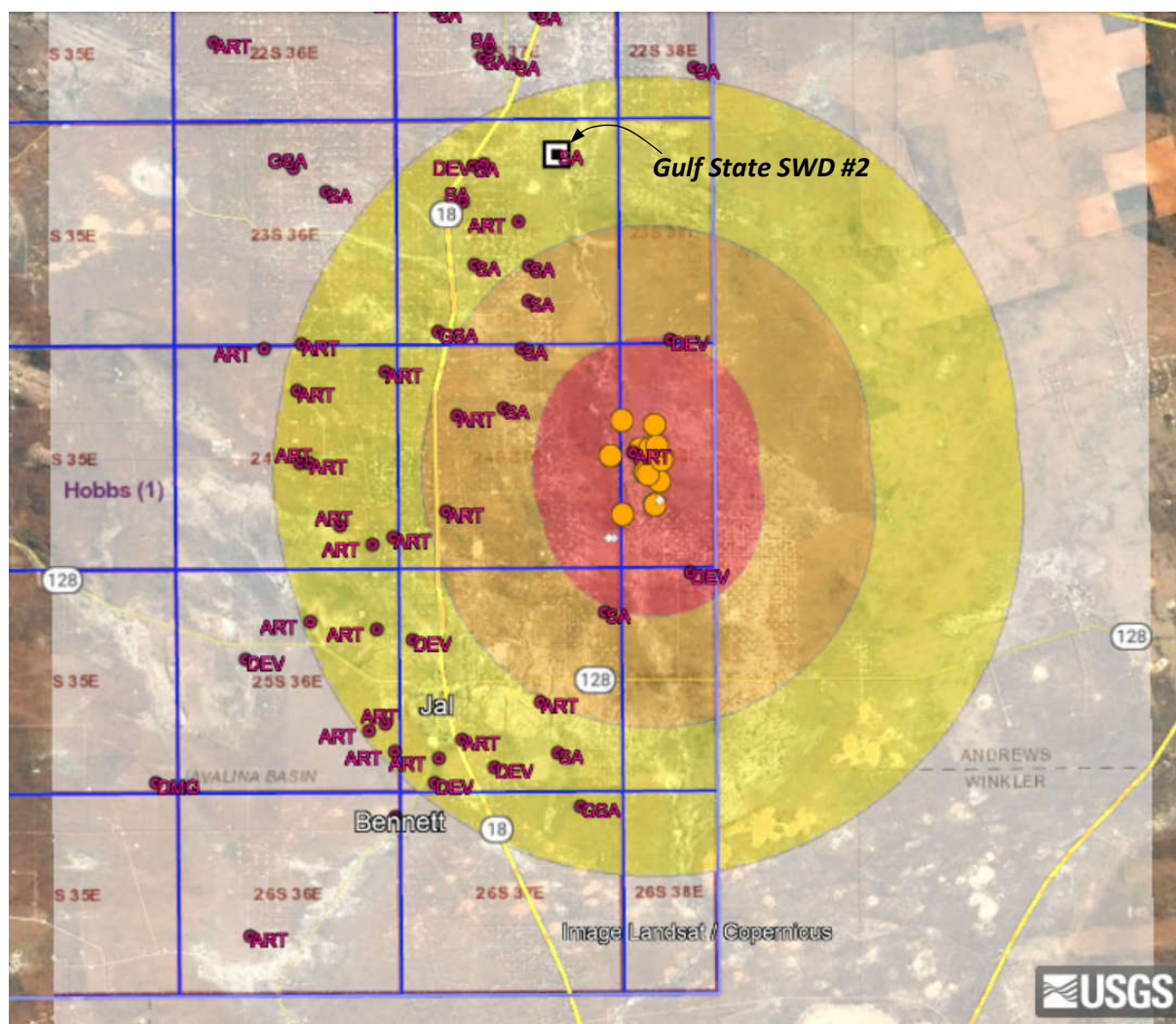
Termed the Jal Seismic Response Area based on these events, the area had another M2.0 earthquake very recently on January 11, 2022. Cameron has reviewed the subject area with respect to recent seismic events.

Cameron has inspected its location and well and have not noticed anything unusual with regards to the equipment or well head.

Cameron queried the USGS Earthquake Catalog for all earthquakes to include a bottom threshold of M1.5 for the dates 6/11/2021 through 1/11/2022. Of 43 events in southeast New Mexico, 16 of those are apparently in the JSRA and range from M1.8 to M2.7. (List on following page.)

The Gulf State SWD #2 takes very low rates and injection occurs at a very low (or no) pressure. (**Note:** When the pump kicks on, pressure will get to ~900 psi and steadily drop over an hour or so to zero or vacuum.) The well averages just under 100 bwpd. This is automatically disposed of at various intervals based on tank levels. Injection occurs usually twice per week at low or no surface pressure into the Glorieta and Drinkard formations. (**Note:** the permit allows for disposal into the Abo formation but those perms were never shot. The SWD was also permit for an injection pressure increase however, reduced operations in recent years have negated the need for any additional pressure to move fluid downhole.)

We don't believe under the current operational scheme, the subject well poses any additional risk for induced seismicity.



Cameron Oil Company - Gulf State #2 SWD - Review of Seismicity Concerns - January 11, 2022

| | mag | | | | | | | | | | | hrzntl | depth | mag | | location | mag | | | | | |
|-----------|----------|-----------|----------|-----|------|-----|-----|----------|------|-----|------------|------------------|-----------------------------|------------|----------|----------|-------|-------|----------|--------|--------|-------|
| time | latitude | longitude | depth | mag | Type | nst | gap | dmin | rms | net | id | updated | place | type | Error | Error | mag | Error | Nst | status | Source | Sourc |
| 2022-01-0 | 32.22382 | -103.107 | 8.632528 | 2 | ml | 17 | 91 | 0.105334 | 0.2 | tx | tx2022aexh | 2022-01-05T17:27 | 14 km NNE of Jal, NM | earthquake | 1.661536 | 4.846588 | 0.2 | 7 | reviewed | tx | tx | |
| 2021-12-2 | 31.99238 | -103.872 | 7.5198 | 3.5 | ml | 14 | 47 | 0.052653 | 0.1 | tx | tx2021zmyq | 2022-01-11T18:52 | 31 km SE of Malaga, NM | earthquake | 0.679741 | 1.077752 | 0.1 | 8 | reviewed | tx | tx | |
| 2021-12-1 | 32.4523 | -103.462 | 3.6 | 2.9 | ml | | 51 | 0.11 | 0.65 | us | us6000gc94 | 2021-12-15T18:38 | 26 km SW of Monument, NM | earthquake | 1.2 | 2.6 | 0.074 | 24 | reviewed | us | us | |
| 2021-12-0 | 31.98457 | -103.87 | 7.725464 | 3 | ml | 28 | 42 | 0.057007 | 0.2 | tx | tx2021xmxs | 2021-12-29T08:45 | 32 km SE of Malaga, NM | earthquake | 0.855364 | 0.922549 | 0.2 | 18 | reviewed | tx | tx | |
| 2021-11-1 | 32.4132 | -103.592 | 5 | 3.2 | ml | | 58 | 0.082 | 0.34 | us | us7000ftrh | 2021-12-11T01:02 | 38 km SW of Monument, NM | earthquake | 2 | 2 | 0.097 | 22 | reviewed | us | us | |
| 2021-10-2 | 32.20825 | -103.089 | 2.445475 | 2 | ml | 15 | 69 | 0.118711 | 0.2 | tx | tx2021uxao | 2021-10-29T14:58 | 14 km NE of Jal, NM | earthquake | 1.229184 | 2.325858 | 0.2 | 5 | reviewed | tx | tx | |
| 2021-10-1 | 31.98824 | -103.872 | 7.828296 | 2.3 | ml | 18 | 63 | 0.053942 | 0.2 | tx | tx2021uncq | 2021-10-22T15:11 | 32 km SE of Malaga, NM | earthquake | 0.661248 | 0.932228 | 0.1 | 13 | reviewed | tx | tx | |
| 2021-10-1 | 31.98915 | -103.875 | 7.5198 | 2 | ml | 17 | 74 | 0.05104 | 0.1 | tx | tx2021umop | 2021-10-22T16:38 | 32 km SE of Malaga, NM | earthquake | 0.829331 | 0.98645 | 0.2 | 9 | reviewed | tx | tx | |
| 2021-10-1 | 31.99009 | -103.87 | 7.5198 | 3.3 | ml | 20 | 45 | 0.055078 | 0.1 | tx | tx2021uefp | 2021-12-18T19:59 | 32 km SE of Malaga, NM | earthquake | 0.737502 | 0.988624 | 0.1 | 7 | reviewed | tx | tx | |
| 2021-10-1 | 32.22198 | -103.092 | 2.225382 | 2.2 | ml | 26 | 47 | 0.117482 | 0.3 | tx | tx2021ucia | 2021-10-14T23:29 | 15 km NE of Jal, NM | earthquake | 1.440425 | 1.435726 | 0.1 | 14 | reviewed | tx | tx | |
| 2021-09-2 | 32.06941 | -103.718 | 7.622632 | 1.7 | ml | 12 | 86 | 0.036571 | 0.1 | tx | tx2021sojr | 2021-09-22T15:56 | 37 km ESE of Malaga, NM | earthquake | 0.921795 | 0.933843 | 0.2 | 7 | reviewed | tx | tx | |
| 2021-09-2 | 32.07264 | -103.712 | 8.239624 | 2.3 | ml | 21 | 46 | 0.041672 | 0.2 | tx | tx2021sndr | 2021-09-21T20:33 | 37 km ESE of Malaga, NM | earthquake | 0.572578 | 0.800284 | 0.2 | 9 | reviewed | tx | tx | |
| 2021-09-2 | 32.06803 | -103.716 | 8.908032 | 3.2 | ml | 17 | 77 | 0.035898 | 0.1 | tx | tx2021smvw | 2021-12-03T15:01 | 37 km ESE of Malaga, NM | earthquake | 0.682917 | 0.881226 | 0.2 | 9 | reviewed | tx | tx | |
| 2021-09-2 | 32.21283 | -103.099 | 3.545939 | 1.9 | ml | 11 | 111 | 0.110889 | 0.2 | tx | tx2021smmj | 2021-09-21T20:45 | 14 km NE of Jal, NM | earthquake | 1.751408 | 3.476794 | 0.2 | 6 | reviewed | tx | tx | |
| 2021-09-2 | 32.20367 | -103.097 | 4.42631 | 2.7 | ml | 16 | 68 | 0.112225 | 0.2 | tx | tx2021smaz | 2021-12-03T15:01 | 13 km NE of Jal, NM | earthquake | 1.292499 | 3.310078 | 0.2 | 6 | reviewed | tx | tx | |
| 2021-09-1 | 32.19269 | -103.09 | 6.040324 | 1.8 | ml | 20 | 46 | 0.11807 | 0.2 | tx | tx2021sbkc | 2021-09-15T19:46 | 13 km NE of Jal, NM | earthquake | 0.87891 | 1.894195 | 0.1 | 11 | reviewed | tx | tx | |
| 2021-09-1 | 32.08698 | -103.903 | 8.342456 | 2.3 | ml | 26 | 59 | 0.034985 | 0.2 | tx | tx2021rtig | 2021-09-10T15:12 | 22 km SE of Malaga, NM | earthquake | 0.673933 | 0.871843 | 0.2 | 12 | reviewed | tx | tx | |
| 2021-09-1 | 32.17804 | -103.114 | 7.996704 | 1.9 | ml | 21 | 63 | 0.100706 | 0.2 | tx | tx2021rthf | 2021-09-10T16:01 | 10 km NE of Jal, NM | earthquake | 1.037695 | 1.137637 | 0.2 | 10 | reviewed | tx | tx | |
| 2021-09-1 | 32.17804 | -103.112 | 5.991414 | 1.9 | ml | 23 | 88 | 0.102468 | 0.2 | tx | tx2021rsqf | 2021-09-10T16:13 | 10 km NE of Jal, NM | earthquake | 0.93691 | 2.082267 | 0.2 | 7 | reviewed | tx | tx | |
| 2021-09-0 | 32.19086 | -103.092 | 5.697957 | 2.5 | ml | 33 | 66 | 0.11643 | 0.3 | tx | tx2021rsgz | 2021-11-17T17:42 | 12 km NE of Jal, NM | earthquake | 0.908388 | 1.640953 | 0.2 | 19 | reviewed | tx | tx | |
| 2021-09-0 | 32.20276 | -103.096 | 1.614014 | 2.2 | ml | 23 | 69 | 0.113126 | 0.3 | tx | tx2021rnpb | 2021-09-08T19:49 | 13 km NE of Jal, NM | earthquake | 1.127486 | 1.328713 | 0.2 | 12 | reviewed | tx | tx | |
| 2021-09-0 | 32.18719 | -103.107 | 6.235962 | 2 | ml | 18 | 65 | 0.104268 | 0.3 | tx | tx2021rkfa | 2021-09-08T20:38 | 11 km NE of Jal, NM | earthquake | 2.34844 | 1.825926 | 0.2 | 10 | reviewed | tx | tx | |
| 2021-09-0 | 32.20367 | -103.097 | 5.257772 | 2 | ml | 22 | 47 | 0.112225 | 0.3 | tx | tx2021rghr | 2021-09-03T22:56 | 13 km NE of Jal, NM | earthquake | 2.409261 | 2.280064 | 0.1 | 9 | reviewed | tx | tx | |
| 2021-09-0 | 31.97721 | -104.027 | 7.5198 | 2.4 | ml | 23 | 59 | 0.042228 | 0.2 | tx | tx2021rfwj | 2021-09-03T20:49 | 27 km S of Malaga, NM | earthquake | 1.060964 | 0.81715 | 0.1 | 10 | reviewed | tx | tx | |
| 2021-09-0 | 32.21375 | -103.091 | 3.179118 | 2.4 | ml | 26 | 69 | 0.117299 | 0.3 | tx | tx2021rdiq | 2021-11-06T20:28 | 14 km NE of Jal, NM | earthquake | 1.33694 | 1.88561 | 0.1 | 14 | reviewed | tx | tx | |
| 2021-09-0 | 32.20001 | -103.09 | 1.638468 | 2 | ml | 25 | 68 | 0.117689 | 0.3 | tx | tx2021rcqw | 2021-09-01T20:58 | 13 km NE of Jal, NM | earthquake | 0.961972 | 2.069192 | 0.1 | 13 | reviewed | tx | tx | |
| 2021-09-0 | 32.21283 | -103.095 | 5.013224 | 2.5 | ml | 25 | 69 | 0.114503 | 0.2 | tx | tx2021rcnt | 2021-11-06T20:28 | 14 km NE of Jal, NM | earthquake | 1.161436 | 1.967948 | 0.1 | 12 | reviewed | tx | tx | |
| 2021-08-3 | 32.21008 | -103.113 | 7.091878 | 2.1 | ml | 21 | 57 | 0.098902 | 0.3 | tx | tx2021rayc | 2021-08-31T20:13 | 13 km NE of Jal, NM | earthquake | 1.573243 | 2.104087 | 0.1 | 12 | reviewed | tx | tx | |
| 2021-08-2 | 31.97282 | -104.031 | 8.213916 | 1.7 | ml | 16 | 83 | 0.037488 | 0.2 | tx | tx2021qtjf | 2021-08-27T15:34 | 28 km S of Malaga, NM | earthquake | 1.379624 | 1.04403 | 0.2 | 9 | reviewed | tx | tx | |
| 2021-08-1 | 32.07217 | -103.717 | 7.416968 | 2 | ml | 21 | 40 | 0.039293 | 0.2 | tx | tx2021qcha | 2021-08-20T21:56 | 37 km ESE of Malaga, NM | earthquake | 0.808141 | 0.773509 | 0.1 | 11 | reviewed | tx | tx | |
| 2021-08-1 | 32.07401 | -103.712 | 7.828296 | 3.2 | ml | 14 | 48 | 0.042895 | 0.2 | tx | tx2021pybe | 2021-10-29T14:46 | 37 km ESE of Malaga, NM | earthquake | 0.816224 | 1.014996 | 0.2 | 6 | reviewed | tx | tx | |
| 2021-08-0 | 32.07539 | -103.713 | 7.5198 | 1.9 | ml | 13 | 70 | 0.043533 | 0.2 | tx | tx2021pdiv | 2021-08-04T19:01 | 37 km ESE of Malaga, NM | earthquake | 0.880183 | 1.018572 | 0.2 | 7 | reviewed | tx | tx | |
| 2021-08-0 | 32.0731 | -103.712 | 7.725464 | 2.3 | ml | 12 | 85 | 0.042078 | 0.1 | tx | tx2021pdbh | 2021-08-04T18:35 | 37 km ESE of Malaga, NM | earthquake | 0.636729 | 0.77893 | 0.1 | 6 | reviewed | tx | tx | |
| 2021-07-3 | 32.06481 | -103.722 | 8.393872 | 2.5 | ml | 16 | 59 | 0.107039 | 0.1 | tx | tx2021owjx | 2021-10-14T01:04 | 37 km ESE of Malaga, NM | earthquake | 0.708756 | 1.319176 | 0.2 | 13 | reviewed | tx | tx | |
| 2021-07-2 | 32.07034 | -103.713 | 8.702368 | 2.7 | ml | 13 | 58 | 0.099004 | 0.1 | tx | tx2021orvv | 2021-10-03T05:22 | 37 km ESE of Malaga, NM | earthquake | 0.733162 | 1.233561 | 0.2 | 6 | reviewed | tx | tx | |
| 2021-07-2 | 32.08298 | -103.712 | 7.288428 | 2.2 | ml | 12 | 103 | 0.098899 | 0.1 | tx | tx2021ormy | 2021-07-30T20:47 | 37 km ESE of Malaga, NM | earthquake | 1.224351 | 1.379464 | 0.2 | 7 | reviewed | tx | tx | |
| 2021-07-1 | 32.07125 | -103.719 | 7.828296 | 4 | ml | 16 | 53 | 0.037764 | 0.1 | tx | tx2021oalq | 2021-09-25T21:08 | 37 km ESE of Malaga, NM | earthquake | 0.708728 | 0.731424 | 0.2 | 11 | reviewed | tx | tx | |
| 2021-07-1 | 32.05098 | -103.756 | 7.416968 | 1.6 | ml | 10 | 58 | 0.02353 | 0.2 | tx | tx2021nsxj | 2021-08-06T00:58 | 35 km ESE of Malaga, NM | earthquake | 2.160981 | 1.089578 | 0.1 | 7 | reviewed | tx | tx | |
| 2021-07-1 | 31.98094 | -104.011 | 7.5198 | 1.8 | ml | 22 | 64 | 0.049685 | 0.3 | tx | tx2021nlxm | 2021-08-05T23:51 | 27 km SSE of Malaga, NM | earthquake | 1.025461 | 1.155699 | 0.1 | 11 | reviewed | tx | tx | |
| 2021-07-0 | 31.95945 | -103.796 | 6.74856 | 2.3 | ml | 13 | 60 | 0.09273 | 0.2 | tx | tx2021mufh | 2021-07-01T20:29 | 33 km NNW of Mentone, Texas | earthquake | 1.024769 | 1.704796 | 0.2 | 11 | reviewed | tx | tx | |
| 2021-07-0 | 32.08401 | -103.788 | 8.085376 | 1.6 | ml | 11 | 73 | 0.062626 | 0.1 | tx | tx2021msxs | 2021-07-02T15:33 | 31 km ESE of Malaga, NM | earthquake | 0.826356 | 0.918859 | 0.2 | 4 | reviewed | tx | tx | |
| 2021-06-2 | 32.06986 | -103.726 | 7.416968 | 2 | ml | 12 | 68 | 0.034863 | 0.1 | tx | tx2021mimz | 2021-06-25T20:39 | 36 km ESE of Malaga, NM | earthquake | 0.943936 | 0.913329 | 0.2 | 6 | reviewed | tx | tx | |
| 2021-06-1 | 31.94766 | -104.063 | 7.00564 | 2.1 | ml | 20 | 57 | 0.027317 | 0.3 | tx | tx2021lily | 2021-06-11T19:44 | 30 km S of Malaga, NM | earthquake | 0.903588 | 1.477724 | 0.1 | 8 | reviewed | tx | tx | |

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1342-A
September 21, 2012

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of 19.15.26.8B NMAC, Cameron Oil & Gas, Inc. seeks an administrative order to utilize its Gulf State Well No. 2 (API 30-025-28425) located 660 feet from the South line and 1980 feet from the West line, Unit letter N of Section 2, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Cameron Oil & Gas, Inc., is hereby authorized to utilize its Gulf State Well No. 2 (API 30-025-28425) located 660 feet from the South line and 1980 feet from the West line, Unit letter N of Section 2, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into perforations in the Glorieta formation from 5130 feet to 5394 and perforations in the Drinkard and Abo formations from 6499 feet to 7049 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially

Administrative Order SWD-1342-A
Cameron Oil & Gas, Inc.
September 21, 2012
Page 2 of 3

commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1026 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Administrative Order SWD-1342-A
Cameron Oil & Gas, Inc.
September 21, 2012
Page 3 of 3

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMIE BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division



CURRENT WELL CONFIGURATION
(Based on Well File Review 1/11/2022)

Gulf State Well No.2 - SWD

API 30-025-28425

660' FSL & 1980' FWL, SEC. 2-T23S-R37E
LEA COUNTY, NEW MEXICO

Spud Date: 10/13/1983

P&A Date: 9/11/1984

Re-entry Dt: 8/23/2012

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported

Permitted Pressure: 1358 psi (IPI appr'd 12/14/2012)

Current Avg. Rate: <100 bwpd AVERAGE

Surface Casing

13.375" 61# Csg. (17.5" Hole) @ 1150'

900 sx Class 'C' - Circulated

1150'

Annulus loaded
w/ Inert Packer Fluid

Intermediate Casing

8.625" 32# Csg. (12.25" Hole) @ 4200'

3925 sx Class 'C' - Circulated (2 Stage - DV @ 3223')

Top of San Andres @ 4078'

4200'

Injection Tubing

2.875" @ 5075'

w/ Packer set @ 5080'

Top of Glorieta @ 5167'

Top of Blinberry @ 5553'

Top of Tubb @ 6140'

Top of Drinkard @ 6356'

Top of Abo @ 6634'

Production Casing

5.5" 17# Csg. (7.875" Hole) @ 7175'

1150 sx Class 'C' - Circulated (2 Stage - DV @ 4316')

GL Perfs

5130'-5394' (Acidized w/ 8000 gals. 15% NEFE)

DRK Perfs

6499'-6685' (Acidized w/ 4000 gals. 15% NEFE)

ABO Perfs

6789-7049

NOTE: ABO PERFS WERE NEVER SHOT.

7175'

TD @ 7080'



Drawn by: Ben Stone, Rvs'd 1/11/2022

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District II
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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

DEFINITIONS

Action 71922

DEFINITIONS

| | |
|--|----------------|
| Operator: CAMERON OIL & GAS INC 5445 Legacy Drive Suite 440 Plano, TX 75024 | OGRID: |
| | 181109 |
| | Action Number: |
| | 71922 |
| Action Type: | |
| [UF-SA] Seismicity Response Protocol Information (UF-SA-SRPI) | |

DEFINITIONS

| |
|---|
| For the sake of brevity and completeness, please allow for the following in all groups of questions and for the rest of this application: <ul style="list-style-type: none">this application's operator, hereinafter "this operator". |
| This form must be completed as part of OCD's Seismicity Response Protocol and updated after any qualifying event thereafter. |
| Applicability: This form must be completed for each well classified as an Underground Injection Control (UIC) Class II disposal well or Class II enhanced recovery injection well with active injection authority (wells). "Active injection authority" means a well that is authorized to inject pursuant to an administrative permit or hearing order. This includes wells that have an approved Application for Permit to Drill and have an approved injection permit but have not yet been drilled or commenced injection. |

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QUESTIONS

Action 71922

QUESTIONS

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QUESTIONS

| | |
|----------------------|--------------------------------|
| Prerequisites | |
| Well | [30-025-28425] GULF STATE #002 |

Seismic Event Information

The source and reference ID is required, if you would like to submit information of a new seismic event.

| | |
|--|------------|
| Source of information (i.e., USGS, NMTSO, TexNet, other) | USGS |
| Reference ID from source of information | tx2022aexh |
| Magnitude | 2.7 |
| Latitude | 32.22382 |
| Longitude | -103.10700 |
| Date of occurrence | 01/11/2022 |
| Depth of occurrence (kilometers) | 4.80 |

Injection Order

Please indicate the latest (current) injection order permitting injection for this well.

| | |
|---------------------|-----------------------------|
| Admin Order (SWD-#) | SWD-1342-A [pKVR1226154613] |
| Hearing Order (R-#) | Not answered. |

Well Information

The following information is required for each well permitted within a 10-mile proximity of the epicenter.

| | |
|--|--------------------|
| Distance from epicenter (miles) | 8 |
| Top perforated and/or open-hole interval (vertical depth in feet) | 5,130 |
| Bottom perforated and/or open-hole interval (vertical depth in feet) | 6,685 |
| Formation(s) completed | Glorieta, Drinkard |

Well Information Prior to Injection Volume Reduction

Daily rates and pressures are based on the active injection days during the prior 6-month period.

| | |
|---|-----------------|
| Average daily injection rate (BBLS per day), prior to reduction | 100 |
| Average injection daily pressure (PSI), prior to reduction | 900 |
| Well Type (i.e., Commercial, Lease Only, Single Operator) | Single Operator |

Well Information After Injection Volume Reduction

The following information is required for each well permitted within a 10-mile proximity of the epicenter.

| | |
|--|------------|
| Required injection rate reduction percentage (0%, 25%, 50%, Shut-in) | 0% |
| Average daily injection rate (BBLS per day) limit, post reduction | 100 |
| Average injection daily pressure (PSI) limit, post reduction | 900 |
| Reduction start date | 01/13/2022 |
| Reduction achieved date | 01/13/2022 |

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ACKNOWLEDGMENTS

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| | |

ACKNOWLEDGMENTS

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | This operator acknowledges that it must take the appropriate following action(s) as part of its seismic response protocol: |
| <input checked="" type="checkbox"/> | This operator shall report the daily injection volumes and pressures for each well on a weekly basis on the form prescribed by the OCD. The report is due on the Wednesday the week following the weekly monitoring interval. |
| <input checked="" type="checkbox"/> | This operator shall start or continue to digitally measure injection volumes and pressures for each well at a minimum of an hourly basis, and shall archive the data and make it available to OCD upon receipt of a written request. |
| <input checked="" type="checkbox"/> | This operator shall monitor seismicity events with magnitudes equal to or greater than M2.5 within a radius of 10 miles around each well using USGS / NMTSO data, and shall archive the data and make it available to OCD upon receipt of a written request. |
| <input checked="" type="checkbox"/> | This operator shall notify OCD and provide updated pertinent well information within 24 hours of an event greater than M 2.5 within a radius of 10 miles around each well using this OCD form. |
| <input checked="" type="checkbox"/> | After each event greater than M 2.5 within a radius of 10 miles around each well, this operator shall inspect well head and well equipment of each well to ensure proper working order. As part of this inspection, Operator should evaluate whether a Bradenhead test or MIT is warranted to ensure wellbore integrity. |
| <input checked="" type="checkbox"/> | I certify that, after reasonable inquiry and based on the available information at the time of submittal, this Seismic Information Form is true and correct to the best of my knowledge, and I acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act. |

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CONDITIONS

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CONDITIONS

| Created By | Condition | Condition Date |
|------------|---------------------|----------------|
| aschaefer | Accepted for record | 1/6/2023 |