

3/7/07 DATE IN	3/7/07 SUSPENSE	DCE ENGINEER	3/7/07 LOGGED IN	IPE TYPE	PDUC0706646484 APP NO.
-------------------	--------------------	-----------------	---------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



280

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
		e-mail Address	



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

26-Sep-2006

CRW-SWD INC

5459

P.O. BOX 994

MIDLAND TX 79702-

Dear Sirs:

Our records indicate that the following well(s) are due for the type of mechanical integrity test indicated. If the required test is a pressure test, please have the necessary equipment on location and ready to commence the test at the specified time. For all types of tests, please have a representative on location to operate any valves or other equipment as necessary. Your representative should meet our inspector at the meeting place indicated below for the entire inspection group.

Scheduled Inspections / MITs

Meeting Place for this Inspection Group: your company's field office

Scheduled Date: 11/7/2006 11:00:00 AM

UL S-T-R	API Well No.	Well No.	Type Insp/MIT
Property Name: FEDERAL AZ			
I 29 26S 30E	30-015-23324-00-00	001	Bradenhead
Property Name: ROSS DRAW SWD			
C 33 26S 30E	30-015-23680-00-00	001	Bradenhead
Property Name: ROSS DRAW UNIT			
C 34 26S 30E	30-015-23224-00-00	009	Bradenhead

If you have any questions or need to reschedule any test, please call Mr. Gerry Guye at 505-748-1283 at the Artesia district office between 7:00 am and 4:00 pm, at least two weeks prior to the indicated schedule date.

Sincerely,

Artesia OCD District Office

Step Rate Test



Cardinal Surveys Company

January 30, 2007

CRW Corporation
Well: SWD Ross Draw # 9
Field:
Eddy, NM

Intercept @ 885 BPD &
3009 PSIA

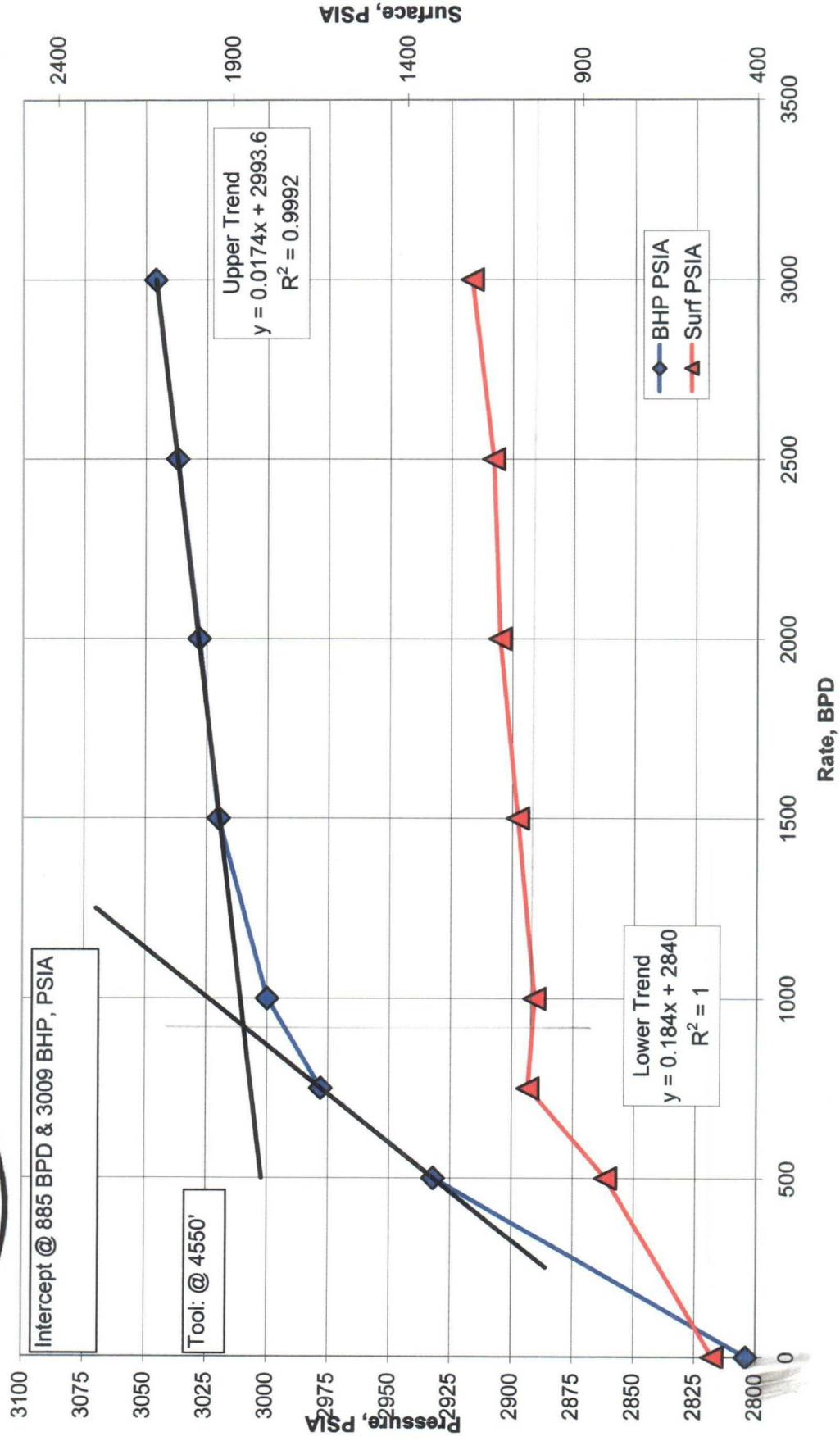
SC 54992

Downhole PSI Tool Ser. No. 71267
Surface PSI Gauge Ser. No.
Tool @ 4550'

	Start Time	End Time	Rate BPD	Comments
1	11:21 AM	11:45 AM		0 On Bottom
2	11:45 AM	12:15 PM	500	
3	12:15 PM	12:45 PM	750	
4	12:45 PM	1:15 PM	1000	
5	1:15 PM	1:45 PM	1500	
6	1:45 PM	2:15 PM	2000	
7	2:15 PM	2:45 PM	2500	
8	2:45 PM	3:15 PM	3000	
9	3:15 PM	3:30 PM		0 Fall Off



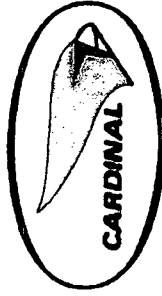
CRW Corporation SWD Ross Draw # 9
Step Rate Test 01-30-07



Surface Pressure = 1,042

Step Rate Test

CRW Corporation
Well: SWD Ross Draw # 9
Field:
Eddy County, NM



	S Time	E Time	D Time Min	Last Rate BPD	Step B. H. Pressure BPD	PSIA	Surf PSIA	Cum BBL	Delta BBL	Avg. BPD	Lower Trend	Upper Trend
1	11:21 AM	11:45 AM	24	0	0	2804	524	0	0	0		
2	11:45 AM	12:15 PM	30	500	500	2932	831	11.6	11.6	557	2932	
3	12:15 PM	12:45 PM	30	750	250	2978	1054	26.4	14.8	710	2978	
4	12:45 PM	1:15 PM	30	1000	250	3000	1035	47	20.6	989		
5	1:15 PM	1:45 PM	30	1500	500	3020	1084	78.1	31.1	1493		3020
6	1:45 PM	2:15 PM	30	2000	500	3028	1136	118.8	40.7	1954		3028
7	2:15 PM	2:45 PM	30	2500	500	3037	1155	168.8	50	2400		3037
8	2:45 PM	3:15 PM	30	3000	500	3046	1217	232.5	63.7	3058		3046
9	3:15 PM	3:30 PM	15	0	-3000	3001	1019	232.5	0	0		

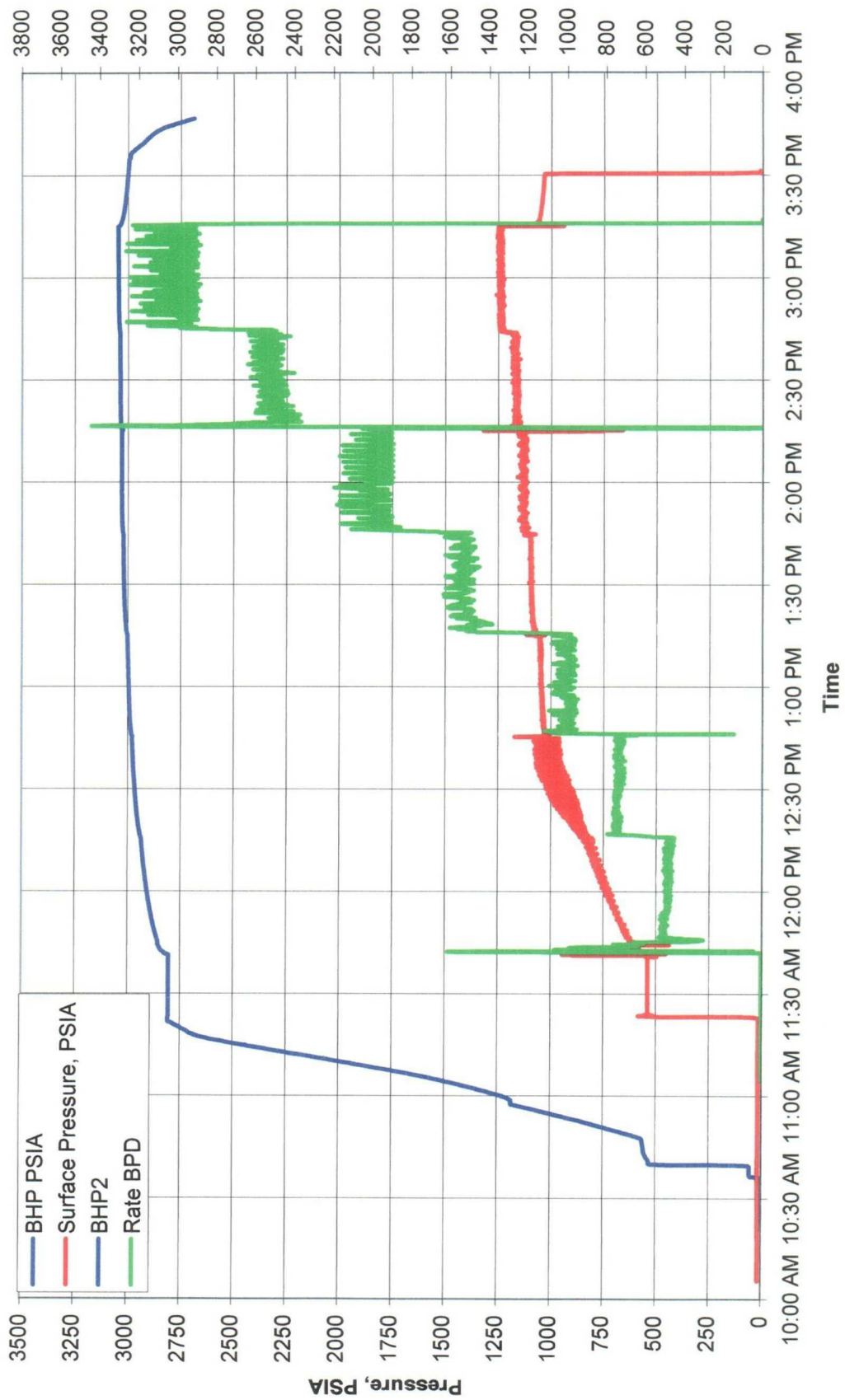
Eddy, NM

0.184 2846
0.0174 2993.6

int point: 885.95438 BPD
3009.0156 Psia

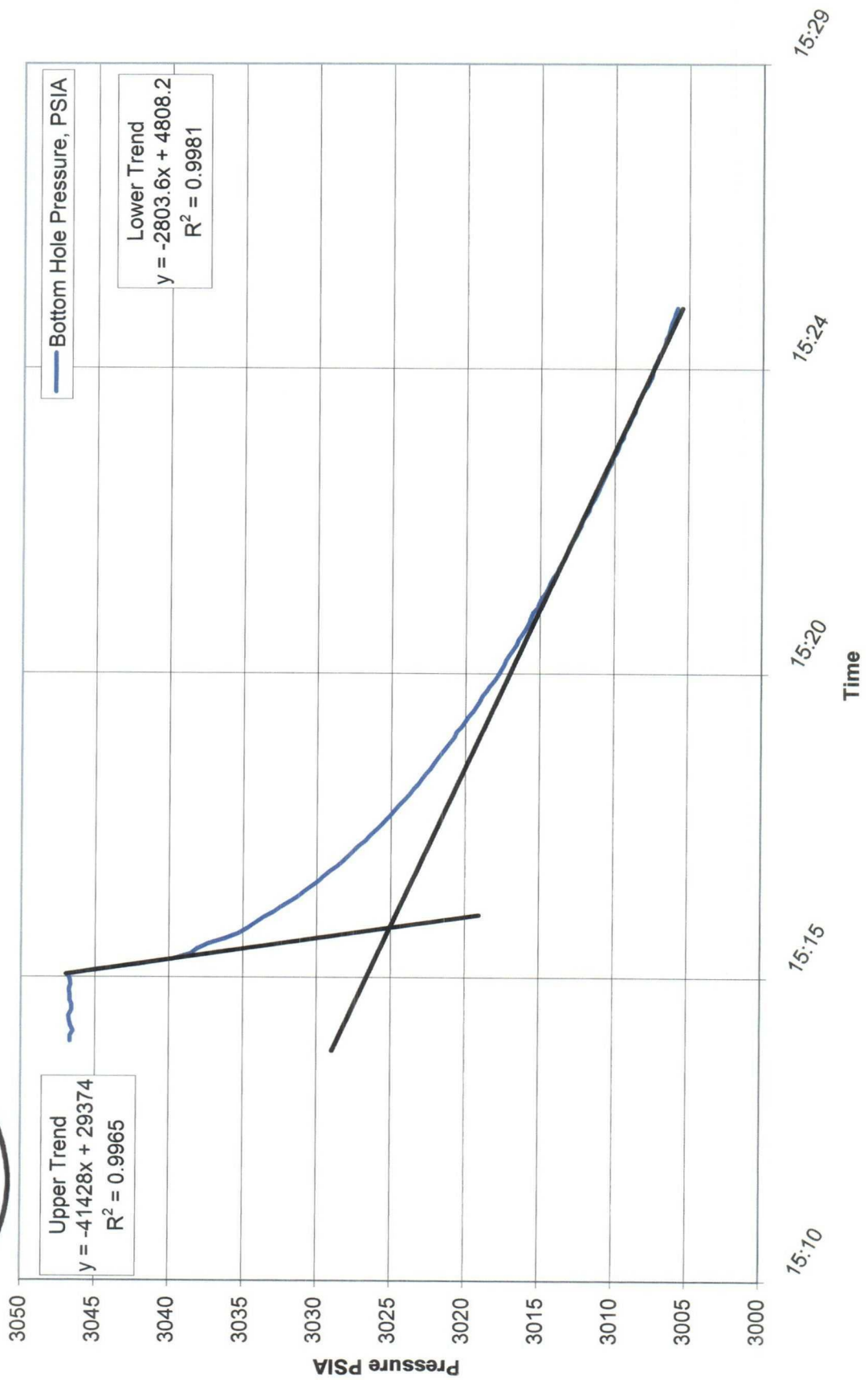


CRW Corporation SWD Ross Draw # 9
Step Rate Test 01-30-07





CRW Corporation SWD Ross Draw # 9
Fall Off Test 01-30-07



30-015.23224

Submit 3 Copies To Appropriate District:
 Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., 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 and Natural Resources

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK INTO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-111) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other ☒

2. Name of Operator CRW-SWD

3. Address of Operator BOX 994 MIDLAND TX 79702

4. Well Location
 Unit Letter _____ feet from the 910 FWL line and 1980 feet from the FWL line
 Section 34 Township 26S Range 30E NMPM County F004

11. Elevation (Show whether DR, RKB, RT, GR, etc.) _____

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mll Below-Grade Tanks: Volume _____ bbls; Construction Material _____

WELL API NO. SWD R-8492

5. Indicate Type of Lease
 STATE ☐ FEE ☐

6. State Oil & Gas Lease No. 0554774

7. Lease Name or Unit Agreement Name ROSS DRAW # 9

8. Well Number 9

9. OGRID Number _____

10. Pool name or Wildcat ROSS DRAW OILWAKE

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ☒ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

REMOVE 4 1/2 10.5 TBG 107 JTS, 1 7" X 3" BAKER LOCK SET
 PACKER - REPLACE 4 1/2 TBG WITH
 1 41 JTS 2 7/8 J-55 DUO-LINE TBG & 1-7" X 3" LOCK SET
 PACKER, SET PACKER @ 4366. CIRC ANNULAS WITH
 PACKER FLUID TEST ANNULAS TO 300' FOR 30 MIN
 HELD OK

Accepted for record
 NMOC/D

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

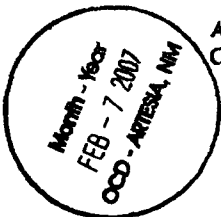
SIGNATURE Daniel H. [Signature] TITLE Inspector DATE 1-15-07

Type or print name
 For State Use Only

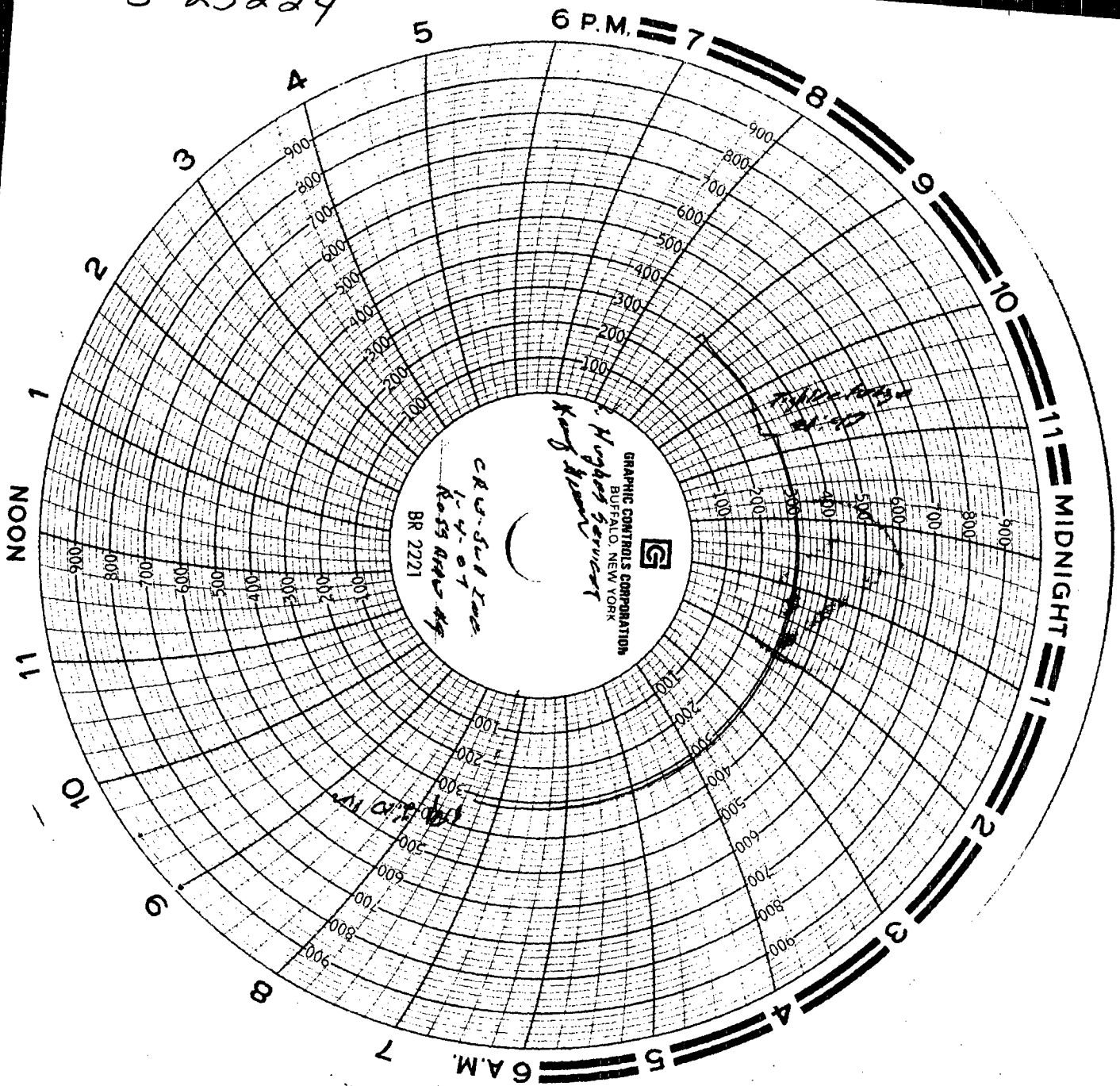
E-mail address:

Telephone No.

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____



50-015-23224





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

09-Nov-06

CRW-SWD INC

P.O. BOX 994

MIDLAND TX 79702-

LOV NO. 027406

LETTER OF VIOLATION and SHUT-IN DIRECTIVE Failed Mechanical Integrity Test

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

ROSS DRAW UNIT No.009

30-015-23224-00-00

Active Salt Water Disposal Well

C-34-26S-30E

Test Date: 11/7/2006

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/10/2007

Test Type: Bradenhead Test

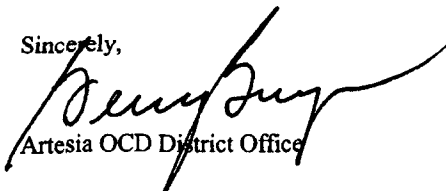
FAIL TYPE: Tubing

FAIL CAUSE:

Comments on MIT: Operator reported hole in tubing.

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Artesia OCD District Office

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.