

PENROC

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

July 25, 1990

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. David R. Catanach

Re: Application for Administrative Approval
Authority for Produced Water Disposal
State 'AP' Well No. 1
Unit Letter L, Sec. 9, T-18-S, R-35-E
Lea County, New Mexico

Dear Mr. Catanach:

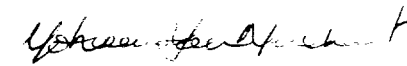
PENROC OIL CORPORATION is enclosing a Form C-108 and the required attachments for an administrative approval to dispose produced water from two (2) PENROC wells (Lea 403 No. 4 and Lea 403 No. 6) in Sec. 17, T-18-S, R-35-E. Please note both wells are state leases.

PENROC has two (2) active disposals on the off-setting lease in Sec. 8, namely State 'AF' Well No. 2 and Well No. 3 which are disposing in the Wolfcamp formation on vacuum.

Your approval at its earliest will be greatly appreciated.

Sincerely,

PENROC OIL CORPORATION


M. Y. (Merch) Merchant
President

MYM/br

Enclosure

PENROC

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

July 25, 1990

N. M. O. C. D.
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Conversion of PENROC OIL CORPORATION
STATE "AP" WELL NO. 1 to a disposal well

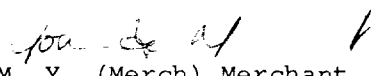
Dear Sir:

Please find enclosed a copy of PENROC OIL CORPORATION application to convert the State "AP" No. 1 well to disposal well. This application is being furnished to you per New Mexico Conservation requirements.

No reply is required unless you object to this application. Thank you for your cooperation.

Sincerely,

PENROC OIL CORPORATION


M. Y. (Merch) Merchant
President

MYM/br
Enclosures

CC: Texaco, Inc. - Hobbs, NM
Maralo Incorporated - Midland, TX
Bledsoe Petroleum Corp - Bethany, OK
R. D. Lee - Lovington, NM
N. M. O. C. D. - Santa Fe, NM
N. M. O. C. D. - Hobbs, NM
New Mexico State Land Office - Santa Fe, NM

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: PENROC OIL CORPORATION
Address: P. O. BOX 5970 HOBBS, NEW MEXICO 88241
Contact party: M. Y. (Merch) Merchant Phone: (505) 397-3596
- 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 ☒ 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. Attached
- * 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. Attached
- 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.). Attached
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological 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 source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any. Attached
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.) N/A
- * 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. Attached
- 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 source of drinking water. Attached
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached
- 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: Mohammed Yamin Merchant Title: President
- Signature: *Mohammed Yamin Merchant* Date: July 25, 1990
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. _____

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. Attached

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 name of the next higher and next lower oil or gas zone in the area of the well, if any.

Attached

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, P. O. Box 2088, Santa Fe, New Mexico 87501 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.

**LEGAL NOTICE
JULY 27, 1990
NOTICE OF
APPLICATION
FOR PRODUCED
WATER DISPOSAL
WELL PERMIT**

Penroc Oil Corporation.
P.O. Box 5970, Hobbs, New
Mexico 88241, Telephone:
(505) 397-3596, has applied
to the State of New Mexico,
Energy, Minerals and Nat-
ural Resources Depart-
ment, Oil Conservation
Division, for a permit to
dispose produced salt
water into a porous forma-
tion not productive of oil
and gas.

The applicant proposes
to dispose produced water
into the Drinkard forma-
tion of State "AP" Well No.
1, Unit L, Section 9, T-18-S,
R-35-E from the Lea '4011'
Well No. 1, Unit N, Section
8, T-18-S, R-35-E, Lea
County, New Mexico.

Produced water will be
injected in strata sub-
surface depth interval
from 7046 feet - 7264 feet at
a minimum rate of 2000
barrels per day and a max-
imum rate of 2500 barrels
per day, with a minimum
pressure of 0 PSIG and a
maximum pressure of 500
PSIG. The disposal will be
accomplished through 2
1/2" plastic coated tubing
with nickel-coated packer
at 7000 feet. Interested
parties must file objections
or request for hearing with
the Oil Conservation
Division, P.O. Box 2088,
Santa Fe, New Mexico
87501 within 15 days. M. Y.
Merchant, President.

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

API NO. (assigned by OCD on New Wells)

3002526824

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

E-7653

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☐

OTHER Water Disposal

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

State "AP"

2. Name of Operator

PENROC OIL CORPORATION

8. Well No.

1

3. Address of Operator

P. O. BOX 5970 HOBBS, NEW MEXICO 88241

9. Pool name or Wildcat

Wildcat

4. Well Location

Unit Letter L : 660 Feet From The West Line and 1980 Feet From The South Line

Section 9 Township 18-S Range 35-E NMPM Lea County

10. Proposed Depth

8000

11. Formation

Drinkard

12. Rotary or C.T.
Workover Unit

13. Elevations (Show whether DF, RT, GR, etc.)

3940.5 GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Meenar

16. Approx. Date Work will start

August 15, 1990

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	11 3/4"	42	300	250	Surface
12 1/4"	8 5/8"	24	3297	1327	Surface
7 7/8"	5 1/2"	15.5 & 17	9244	2742	Surface

Rig up workover unit. Drill out cement plugs from 4826' - 4626'. Drill out cement & CIBP @ 6950'. Circulate hole clean to 8000'±. Perforate 2spf from 7046' - 7264'. Test for injectivity. Acidize if necessary. Run 2 7/8" PC tubing and nickel coated packer. Circulate with packer fluid. Set packer @ 7000'. Put well on injection.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mohammed Yamin Merchant TITLE President DATE 7/25/90

TYPE OR PRINT NAME Mohammed Yamin Merchant TELEPHONE NO. (505) 397-3596

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

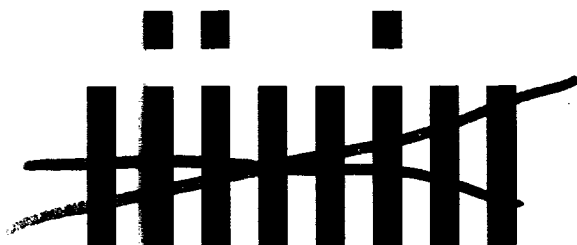
CONDITIONS OF APPROVAL, IF ANY:

Insert
Color Page/Photo
Here

Simplex mode



LTR



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

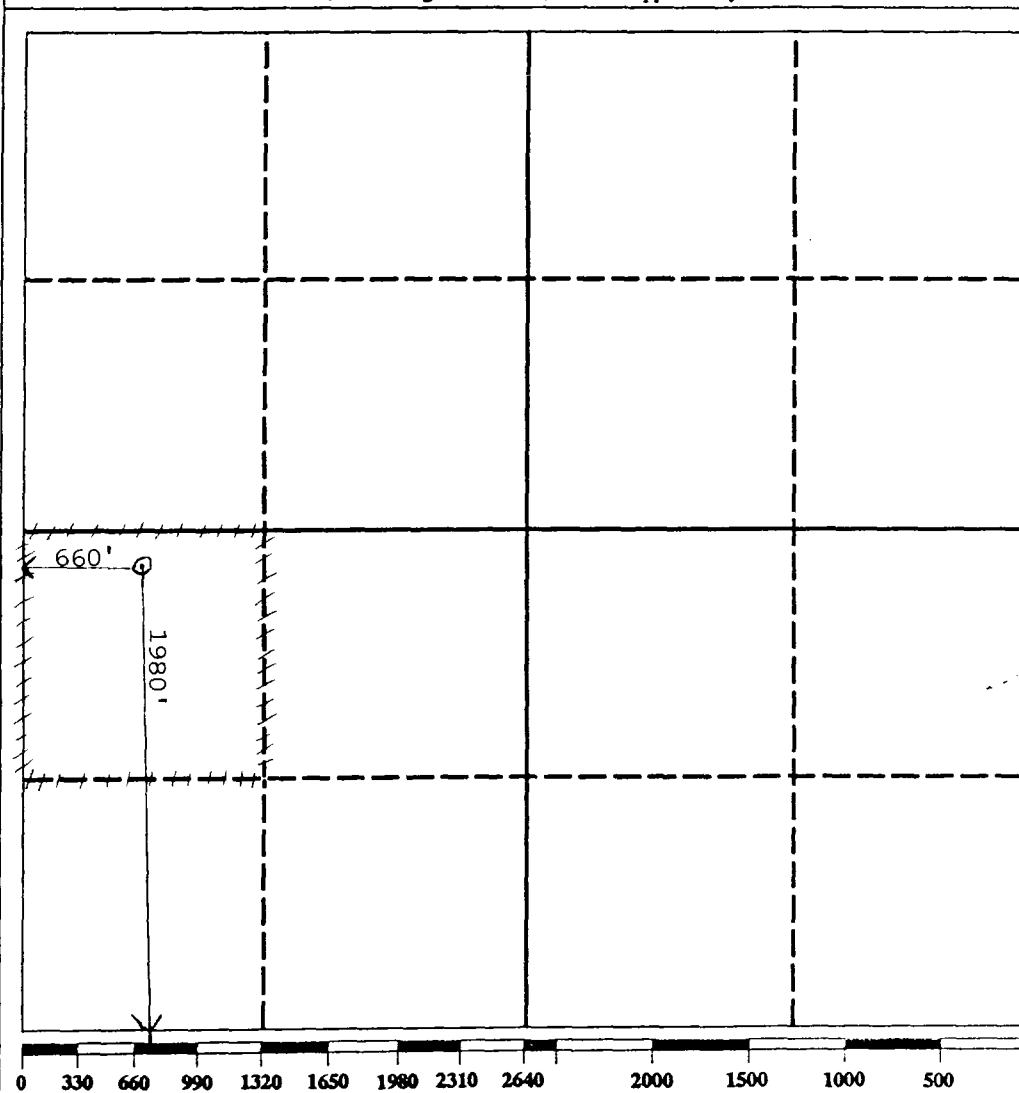
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator PENROC OIL CORPORATION			Lease STATE "AP"		Well No. 1
Unit Letter L	Section 9	Township 18-S	Range 35-E	County LEA	
Actual Footage Location of Well: 660 feet from the West line and 1980 feet from the South line					
Ground level Elev. 3940.5 GR		Producing Formation -		Pool Wildcat	
					Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mohammed Yamin Merchant
Signature

Mohammed Yamin Merchant

Printed Name

President

Position

PENROC OIL CORPORATION

Company

July 25, 1990

Date

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 knowledge and belief.

Date Surveyed

December 12, 1980

Signature & Seal of
Professional Surveyor

Herschel L. Jones

Certificate No.

3640

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

WELL API NO.

3002526824

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

E-7653

7. Lease Name or Unit Agreement Name

State "AP"

8. Well No.

1

9. Pool name or Wildcat

Wilcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL
WELL ☐

GAS
WELL ☐

OTHER Disposal Well

2. Name of Operator

PENROC OIL CORPORATION

3. Address of Operator

P. O. BOX 5970 HOBBS, NEW MEXICO 88241

4. Well Location

Unit Letter L : 660 Feet From The West Line and 1980 Feet From The South Line

Section 9 Township 18-S Range 35-E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3940.5 GR

11.

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 ☐

OTHER: CONVERT TO DISPOSAL

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. 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.

Rig up workover unit. Drill out cement plugs from 4826'- 4626'. Drill out cement & CIBP @ 6950'. Circulate hole clean to 8000'±. Perforate 2spf from 7046' - 7264'. Test for injectivity. Acidize if necessary. Run 2 7/8" PC tubing and nickel coated packer. Circulate with packer fluid. Set packer @ 7000'. Put well on injection.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mohammed Yamin Merchant TITLE President DATE July 25, 1990

TYPE OR PRINT NAME Mohammed Yamin Merchant

TELEPHONE NO. (505) 397-3596

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ATTACHMENT TO FORM C-108

STATE "AP" WELL NO. 1

PART III A. 1-4 Attached

- PART III B.
1. The formation to be injected into is the Drinkard which is non-productive in the area of interest.
 2. The injection zone will be through perms: 7046' - 7264'.
 3. This well was originally completed in the ABO Zone which after depletion has been abandoned.
 4. The production from the lower zone in the area is from the ABO (8800'+) and Devonian (12000').

- PART VII
1. The average daily injection rate will be 2000BWPD with a maximum rate of 2500 bpd.
 2. The system will be a closed system.
 3. The source of water will be from the PENROC operated LEA 4011 Well No. 1 which is producing 2000 BWPD from the Devonian.
 4. The average injection pressure will be zero psig, with a maximum pressure of 500⁺ psig.

PART VIII

The proposed injection zone is Drinkard, and the lithology is dolomite. The top of the Drinkard is 7040', and the injection will be from 7064' - 7264'.

The only fresh water is the Ogallala @ 200' from surface, and there is no fresh water zone known below the injection interval.

PART IX

The proposed injection interval will be acidized with 1500 gallons of 15% HCL acid.

PART XII

PENROC OIL CORPORATION has examined available geologic and engineering data and finds no evidence of open faults or any other hydrologic connection between the disposal and any underground source of drinking water.

ATTACHMENT TO FORM C-108

PENROC OIL CORPORATION

PENROC OIL CORPORATION

STATE "AP" WELL NO. 1

SECTION 9, T-18-S, R-35-E UNIT LETTER L

LEA COUNTY, NEW MEXICO

15" hole, 11 3/4" csg., 42# @ 300' with 250 sxs. circ.

11" hole, 8 5/8" csg., 24# @ 3297' with 1327 sxs. circ.

Cement plug from 4826' - 4626'

9.5# mud.

CIBP @ 6950' with 30' cement.

PERFORATIONS: 7046' - 7264' Non-producing Wildcat Drinkard

CIBP @ 8800' with 30 sxs on top.

PERFORATIONS: 8930' - 9042' Abandoned ABO perfs.

7 7/8" hole, 5 1/2" csg., 17# & 15.5# @ 9244' with 2742 sxs. cement circulated.

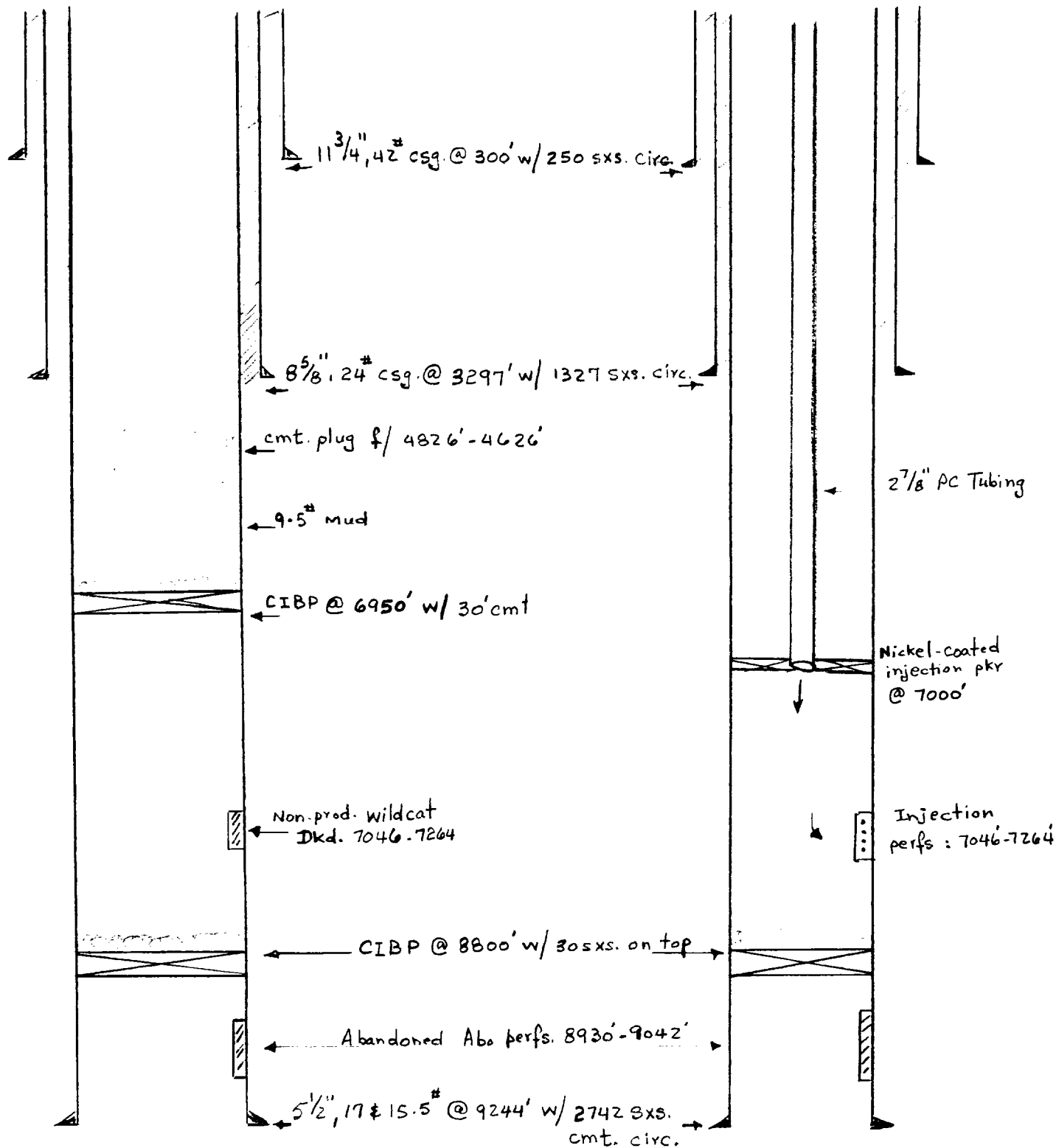
STATE "AP" WELL No. 1

Unit L, Sec. 9, T18S, R35E

LEA COUNTY, NEW MEXICO

CURRENT

PROPOSED



ATTACHMENT TO FORM C-108

PENROC OIL CORPORATION

PENROC OIL CORPORATION

STATE "AP" WELL NO. 2

SECTION 9, T-18-S, R-35-E UNIT LETTER K

LEA COUNTY, NEW MEXICO

11 3/4" csg. hole, 47# @ 310' with 250 sxs. Circulated 40 sxs.
8 5/8" csg. 32# & 24# @ 3298' with 1250 sxs. Circulated.
5 1/2" csg. 17# & 15.5# @ 9338' with 2590 sxs. Circulate with 200 sxs.

PERFORATIONS: 8984' - 9064'

Set CIBP @ 8798' with 30' cement on top.

Circulate hole @ 8692'.

Pull tbq. to 4763 & spot 25 sxs. 4763' - 4563'.

Pull tbq. to 3270' & spot 25 sxs. 3270' - 3070'

Pull tbq. to 1715' & spot 25 sxs. 1715' - 1515'

Spot 10 sxs @ surface.

BLEDSON PETROLEUM CORPORATION

GULF STATE WELL NO. 3

SECTION 9, T-18-S, R-35-E UNIT LETTER E

LEA COUNTY, NEW MEXICO

17 1/2" hole, 13 3/8" csg., 48# @ 352' with 300 sxs. Circulate.
11" hole, 8 5/8" csg. 23# & 32# @ 3606' with 1060 sxs. Circulate.

PERFORATIONS: 8912' - 8980'

4 1/2", 11.6# & 10.5# @ 9192' with 920 sxs. TOC: 6310'

BLEDSON PETROLEUM CORPORATION

GULF STATE WELL NO. 5

SECTION 9, T-18-S, R-35-E UNIT LETTER F

LEA COUNTY, NEW MEXICO

13 3/8", 48# @ 369' with 375 sxs. Circulate.
8 5/8", 24# @ 3578' with 1450 sxs. Circulate.

PERFORATIONS: 8934' - 8937' & 8758' - 8862'

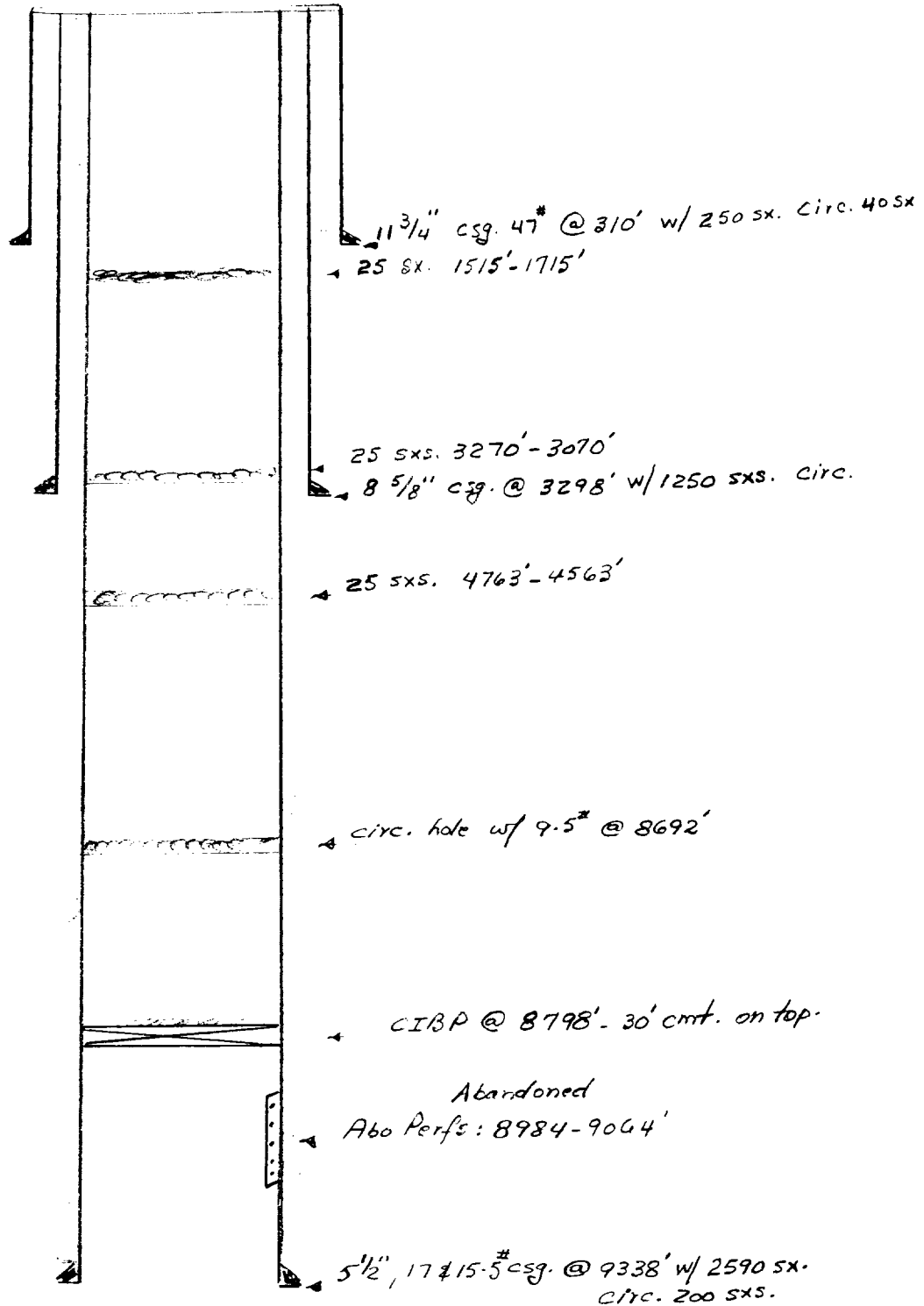
4 1/2", 10.5# & 11.6# @ 9219' with 1600 sxs. TOC: Surface

WELL TA'D

STATE "AP" WELL NO. 2

UNIT K, SEC. 9, T18S, R35E

LEA COUNTY, NM



GULF STATE WELL No. 3

UNIT 'E', SEC. 9, T18S, R35E

LEA COUNTY, NM

13³/₈" 48' @ 352' w/ 300 SXS. CIRC.

8⁵/₈" 23 # 32 @ 3606' w/ 1060 SXS. CIRC.

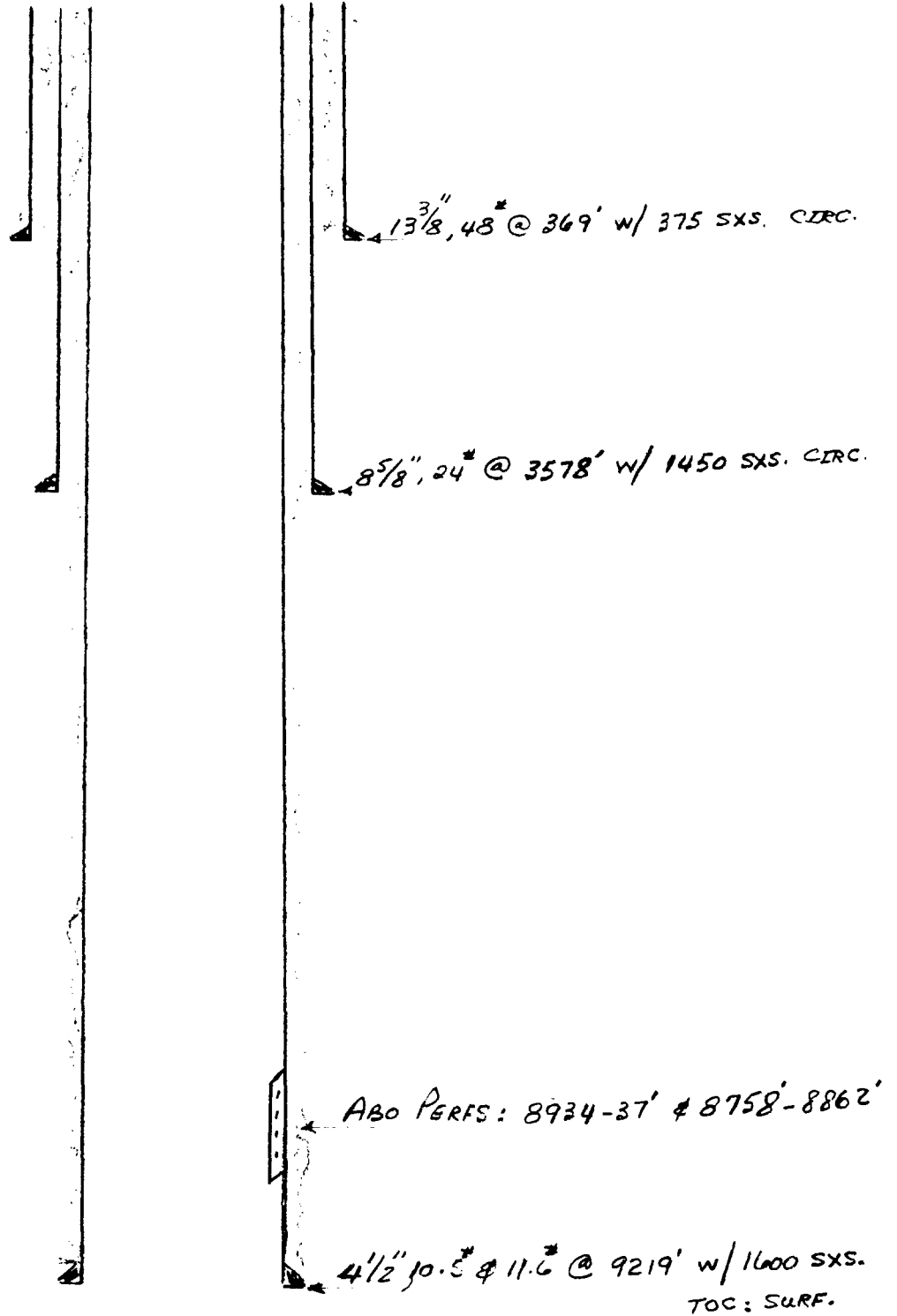
ABO PERFS: 8912'-8980'

4¹/₂" 11.6 # 10.5 @ 9192' w/ 920 SXS. TOC: 6310'

GULF STATE WELL NO. 5

UNIT F, SEC. 9, T18S, R35E

LEA COUNTY, NEW MEX.



ATTACHMENT TO FORM C-108

PENROC OIL CORPORATION

BLEDSON PETROLEUM CORPORATION

TP STATE WELL NO. 1

SECTION 8, T-18-S, R-35-E UNIT LETTER I
LEA COUNTY, NEW MEXICO

13 3/8", 48# @ 369' with 275 sxs.

8 5/8", 24# & 32# @ 3601' with 810 sxs.

PERFORATIONS: 8940' - 8958'

4 1/2", 11.6# & 10.5# @ 9165' with 685 sxs.

TEXACO, INC.

HOBBS "N" WELL NO. 5

SECTION 8, T-18-S, R-35-E UNIT LETTER H
LEA COUNTY, NEW MEXICO

11 3/4", 42# @ 300' with 350 sxs.

8 5/8", 32# & 24# @ 3300' with 950 sxs.

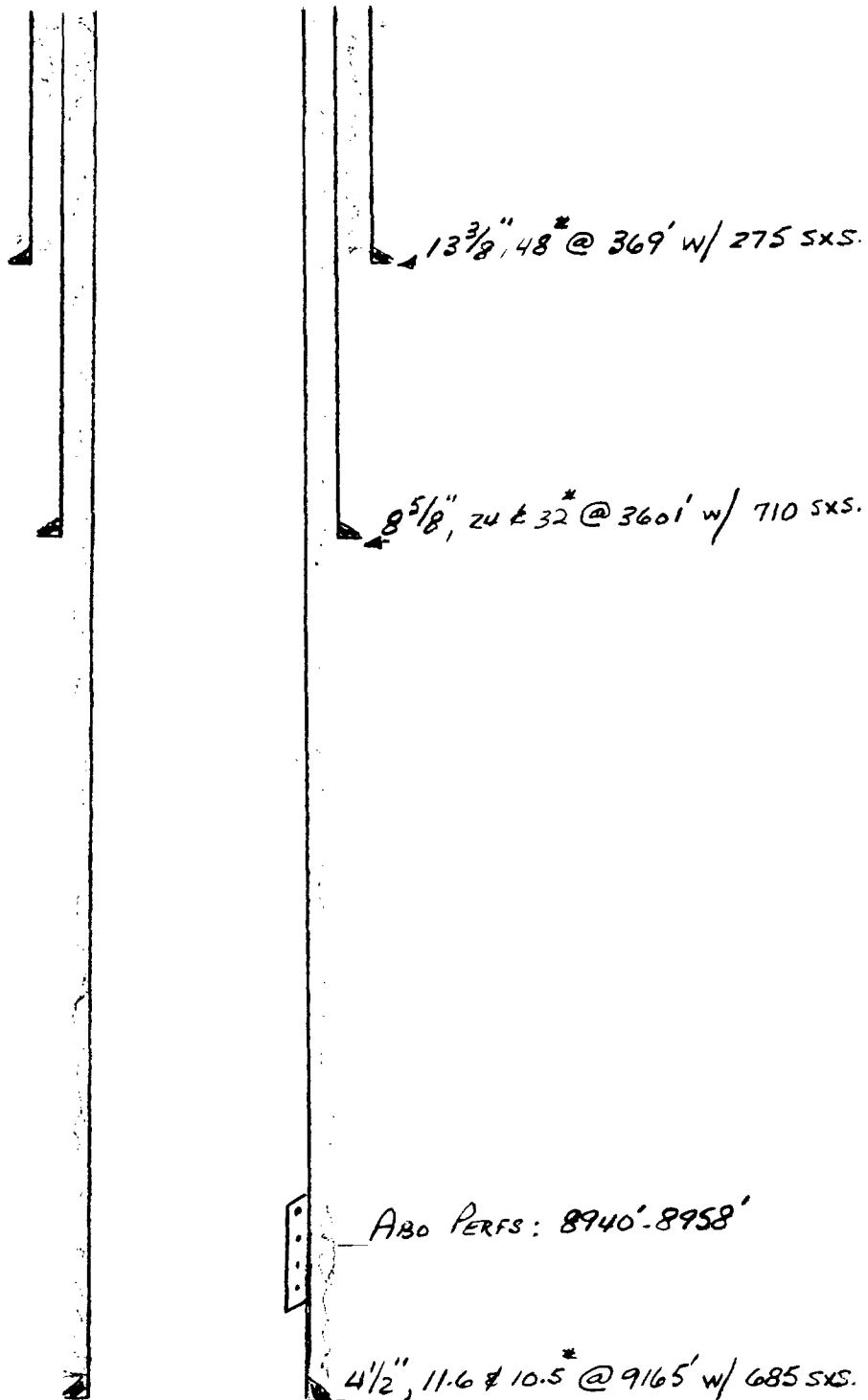
PERFORATIONS: 8819' - 8937'

5 1/2", 17# @ 9205' with 4000 sxs.

TP STATE WELL NO. 1

UNIT I, SEC. 8, T18S, R3E

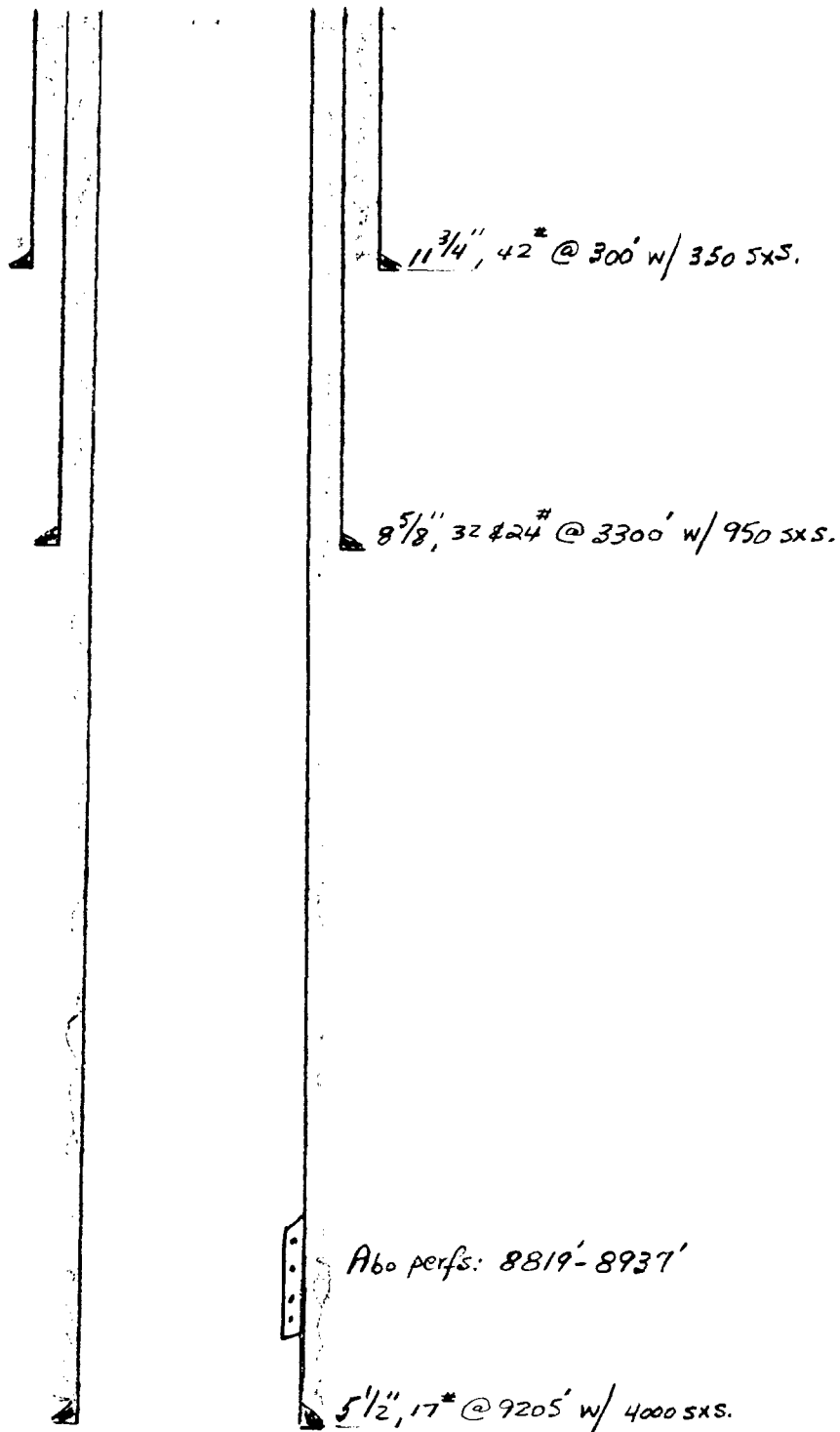
LEA COUNTY, NEW MEX.



HOBBS "N" WELL NO. 5

UNIT H, SEC. 8, T18S, R35E

LEA COUNTY, NM



HALLIBURTON COMPANY
MIDLAND DIVISION
MIDLAND, NEW MEXICO 88260
LABORATORY WATER ANALYSIS

No. _____

Date 3-14-57

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____

Well No. _____ Depth 4,700' Formation San Andres

County _____ Field Buckeye (Vacuum) Source _____

Resistivity _____ 0.050 @ 74°F.

Specific Gravity _____ 1.139

pH _____ 6.8

Calcium (Ca) _____ 2,120 *MPL

Magnesium (Mg) _____ 898

Chlorides (Cl) _____ 123,000

Sulfates (SO₄) _____ 3,400

Bicarbonates (HCO₃) _____ 165

Soluble Iron (Fe) _____ 11

Sodium (Na) _____ 77,400

Remarks _____ *Milligrams per liter

Respectfully submitted,

Analyst _____

HALLIBURTON COMPANY

By _____
DIVISION CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

LABORATORY WATER ANALYSIS

No. WS-87-243

M. Y. Merchant

Date 12-12-87

PENROC

P. O. Box 5970

Hobbs NM 88240

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Submitted by M.Y. Merchant

Date Rec. 12-10-87

Well No. N.A.

Depth N.A.

Formation

County Lea Co. NM

Field Buckeye Area

Source water well / Devonian well

	water well	Devonian well
Specific Gravity	3.41 @ 68°F	.09 @ 68°F
Specific Gravity	1.002	1.066
	7.2	7.6
Calcium (Ca)	45	2150
Magnesium (Mg)	30	330
Chlorides (Cl)	950	55000
Sulfates (SO ₄)	nil	heavy
Carbonates (HCO ₃)	240	1284
Soluble Iron (Fe)	nil	nil

Remarks: water taken from wells in the same area for comparison purposes.

*Milligrams per liter

C. R. Moore

Charles Ray Moore

Respectfully submitted,

HALLIBURTON COMPANY

By CRM

CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT ON OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

— BILL L. LEE —

WEST STAR ROUTE, BOX 465
LOVINGTON, NEW MEXICO 88260

July 25, 1990

PENROC OIL CORPORATION
P. O. Box 5970
Hobbs, New Mexico 88241

Attn: M. Y. (Merch) Merchant

Re: STATEMENT OF NO OBJECTION

Dear Mr. Merchant:

This letter is to advise you that Lee Cattle Company has no objection for Penroc Oil Corporation to install salt disposal facilities at its STATE "AP" WELL NO. 1.

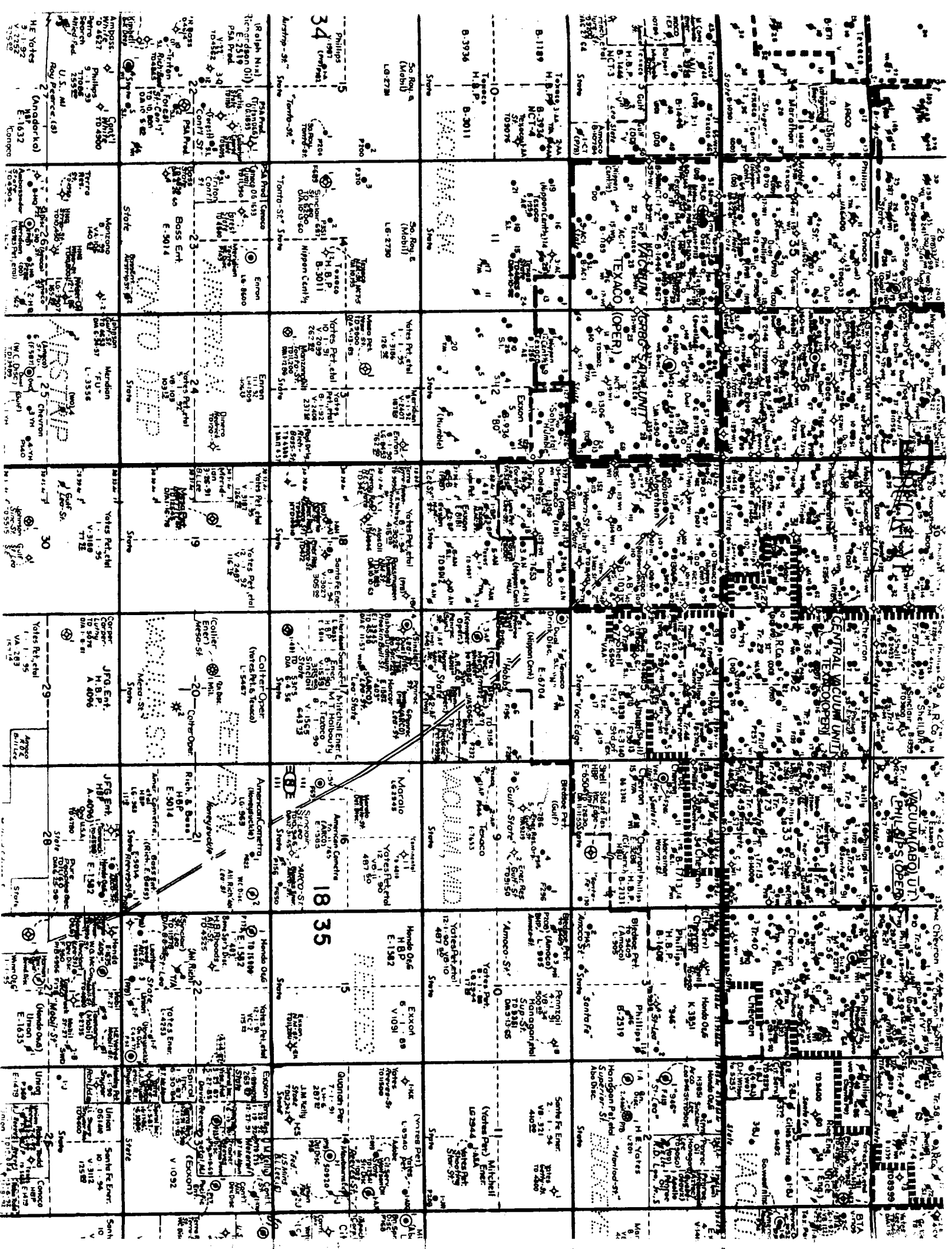
Please note that the STATE "AP" WELL NO. 1 lease is located on State Land under lease to R. D. Lee and Bill Lee aka Lee Cattle Company.

If anyone has any questions, please do not hesitate to contact me.

Sincerely,

LEE CATTLE COMPANY

A handwritten signature in cursive script, appearing to read "Bill L. Lee". The signature is written in dark ink and is positioned below the typed name "LEE CATTLE COMPANY".



Insert

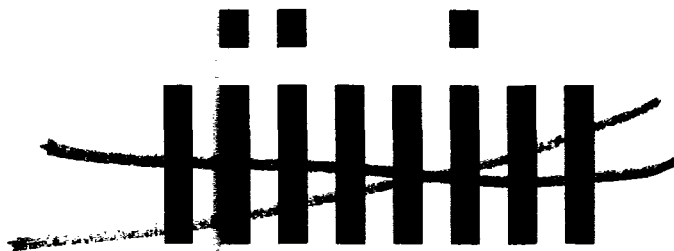
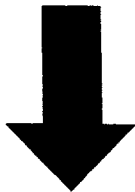
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Simplex mode



LTR

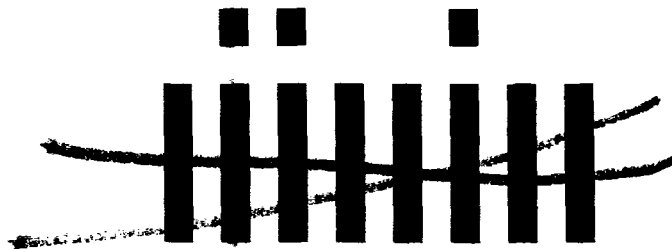
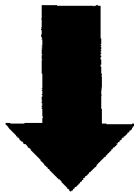


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Color Page/Photo
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Simplex mode



LTR





GARREY CARRUTHERS
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

8-2-90

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP _____
SWD ☒ _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Penroc Oil Corp. State AP #1-L 9-18-35
Operator Lease & Well No. Unit S-T-R

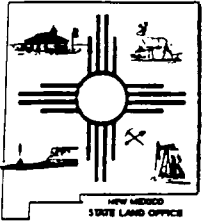
and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed



State of New Mexico
Commissioner of Public Lands OIL CONSERVATION DIVISION
NEW MEXICO

'90 AUG 13 AM 8 57

W. R. Humphries
COMMISSIONER

August 6, 1990

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

Mr. David Catanach
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Re: Application for a Salt Water Disposal

Dear Mr. Catanach:

Application is being made to the Oil Conservation Division from Penroc Oil Corporation for approval of a Salt Water Disposal in Section 9, Township 18 South, Range 35 East within the NW $\frac{1}{4}$ SW $\frac{1}{4}$, Lea County.

The Commissioner of Public Lands has no objections at this time for your approval of the above application. However, the Commissioner reserves the right to refuse to grant a Salt Water Lease when it would be detrimental to the Trust. As you know the applicant has a right under his valid Oil and Gas lease to dispose of the Salt Water subject to your approval. However, if he is going to inject Salt Water from his wells outside of the leased premises he will have to apply for a Salt Water Disposal Easement from us.

If you have any questions, please call us at 827-5784.

Sincerely,

Zilla Porter Padilla

Zilla Porter Padilla, Commercial Resources

ZPP/LM/lb

cc: Date File

'90 AUG 10 AM 8 39

August 7, 1990

Penroc Oil Corporation
P.O. Box 5970
Hobbs, New Mexico 88241

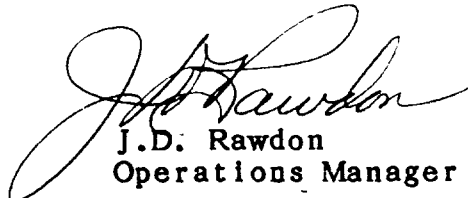
Attn: Mr. M.Y. Merchant

Ref: Conversion to SWD
State "AP" Well No. 1
Lea County, New Mexico

Dear Sir:

At this time we cannot accept nor reject your application for disposal. Your letter to this office did not have the application or any attachments so we are at a loss to evaluate your request.

Yours very truly,


J.D. Rawdon
Operations Manager

JDR:dg

cc: State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088
Attn: Mr. David R. Catonach

PENROC

DIVISION

Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

'90 AUG 13 AM 8 49

August 9, 1990

Bledsoe Partners
Bethany Bank Tower
3908 North Peniel
Bethany, OK 73008

Attn: Mr. J. D. Rawdon

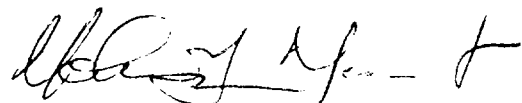
Re: Conversion to SWD
State 'AP' Well No. 1
Lea County, New Mexico

Dear Mr. Rawdon:

Enclosed you will find a copy of the application for the captioned. If you have any questions, please give me a call. Thank you.

Sincerely,

PENROC OIL CORPORATION



M. Y. (Merch) Merchant
President

MYM/br

Enclosure

CC: State of New Mexico
Oil Conservation
P. O. Box 2088
Santa Fe, New Mexico 87504-2088
Attn: Mr. David R. Catanach

827-5741

August 20, 1990

Penroc Oil Corporation
P.O. Box 5970
Hobbs, New Mexico 88241

Attn: Mr. M.Y. Merchant

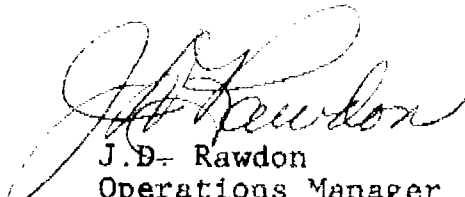
Ref: Conversion to SWD
State "AP" Well No. 1
Lea County, New Mexico

Dear Sir:

As you are probably aware Bledsoe Petro has three leases offsetting or adjacent to your proposed SWD well in Section 9, T18S, R35E, Lea County, New Mexico. We would be interested in collecting our water and delivering it to your injection site via a pipeline. We could install a holding tank at our battery site or at your injection plant. Our three leases are presently producing 50 barrels of water per day.

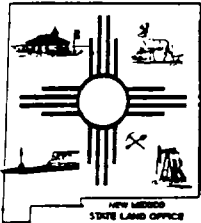
Please advise what you would 1) charge to dispose of our produced water, 2) minimum/maximum volume you could inject for us, 3) and when do you anticipate the well will be available for injection.

Yours very truly,


J.D. Rawdon
Operations Manager

JDR: dg

		# of pages 1
To David Catano L	From	NREC
Co. NMOC-D	Co.	Penroc
Dept. O & G	Phone #	397-3596
Fax # 827-5741	Fax #	392-7051



State of New Mexico
Commissioner of Public Lands

RECEIVED
OIL CONSERVATION DIVISION
RECEIVED

'90 SEP 12 AM 8 43

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
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Kristin Conniff
Vice Chairman
Melvin Cordova
Joe Kelly
Robert Portillos
Nancy Lynch Vigil
Rex Wilson

September 6, 1990

Mr. David Catanach
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
State Land Office
Santa Fe, New Mexico 87504

SWD-398

RE: Application for a Salt Water Disposal Easement


Dear Mr. Catanach:

Application is being made to Oil Conservation Division from Penrock Oil Corporation for approval of a salt water disposal in Section 9, Township 18 South, Range 35 East, within NW $\frac{1}{4}$ NW $\frac{1}{4}$, Lea County.

The Commissioner of Public Lands has no objections at this time for your approval of the above application. However, the Commissioner reserves the right to refuse to grant a salt water easement when it would be detrimental to the Trust. As you know the applicant has a right under his valid oil and gas lease to dispose of the salt water subject to your approval. However, if he is going to inject salt water from other wells outside of the leased premises he will have to apply for a salt water disposal easement from us.

If you have any questions, call us at 827-5724.

Sincerely,


Leo R. Maes
Commercial Resources

LRM/jm

cc: Date File