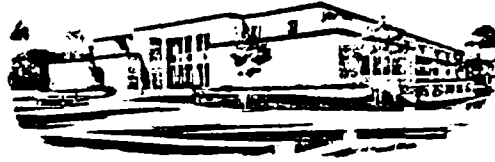


State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

OIL CONSERVATION DIVISION
RECEIVED
APR 9 1991

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

April 2, 1991

820-417

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

Re: Application for a Salt Water Easement

Dear Mr. Catanach:

Application is being made to Oil Conservation Division from Nearburg Producing Company for approval of a Salt Water Disposal in Section 27, Township 19 South, Range 25 East located Eddy County.

The Commissioner of Public Lands has no objection to 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.

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 lease premises he will have to apply for a salt water disposal easement from the State Land Office use.

If you have any questions, you may contact Leo Maes at 827-5725.

Sincerely,

A handwritten signature in black ink, appearing to read "Pleas M. Glenn", written over a horizontal line.

Pleas M. Glenn
Assistant Commissioner

PMG/LM/d1

cc: Date File

RECEIVED

APPLICATION FOR AUTHORIZATION TO INJECT

APR 12 1991

I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☐ no

II. Operator: Nearburg Producing Company

Address: P.O. Box 31405, Dallas, Texas 75231-0405

Contact party: Ken Harbin Phone: 915-686-8235

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.

* 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 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.

* 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 source 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: Tim R. McDonald Title Engineering Manager

Signature: [Signature] Date: March 25, 1991

* 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.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

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 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, 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.

ATTACHED TO FORM C-108
NEARBURG PRODUCING COMPANY
APPLICATION FOR AUTHORIZATION TO INJECT

ANSWERS TO QUESTIONS:

III. Well Data

A.

1. Lease Name: State of New Mexico VB-0173
Well Name: Coguna-Aikman St.
Well Number: 1
Section: 27
Township: 19 South
Range: 25 East
Footage: 660' FSL & 1980' FWL
2. See attached diagram.
3. See attached diagram.
4. See attached diagram.

B.

1. Injection formation is the Devonian.
2. The injection interval and whether it is perforated or open hole will not be known until the existing wellbore is re-entered and deepened to the Devonian.
3. The well was not drilled for injection, its original purpose was to test the Morrow formation.
4. The existing wellbore was never perforated and production casing was not run.
5. The next higher oil and gas zone above the Devonian is the Morrow gas formation and there is no lower zone below the Devonian that is potentially oil or gas bearing.

IV. This is not an expansion of an existing project.

V. See attached map.

VI. Not applicable to the area of review.

VII.

1. Proposed average and maximum daily rate of injection is 3000 Bbls. and 10,000 Bbls. respectively.
2. The system will be open.
3. Proposed average and maximum injection pressure is 300 lbs. and 1200 lbs. respectively.
4. The wells indicated by a triangle on the map showing the area of review are existing, approved, and in operation salt water disposal wells in the Devonian formation. This application is for disposing of Dagger Draw North Upper Pennsylvanian Pool produced water into the Devonian formation similar to the three wells marked with

triangles. These waters are compatible as evidenced by successful disposal of Dagger Draw North Upper Pennsylvanian Pool water into the Devonian formation as done in the three wells marked with triangles.

5. See response to question No. 4.

VIII.

Lithologic Detail:	Dolomite
Geologic Name:	Devonian
Thickness:	unknown until well deepened, but expected 300 to 500'
Depth:	top of Devonian expected at 10,200' subsurface
Overlying underground sources of drinking water:	These sources are between surface and 500' subsurface
Underlying underground sources of drinking water:	None known

IX. Proposed stimulation program will be to acidize the Devonian.

X. See attached scout ticket and DST results on original wellbore. Logs are on file at the NMOCD.

XI. Not applicable as there are no fresh water wells within 1 mile of the subject well.

XII. Nearburg Producing Company has examined available geologic and engineering data and has found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. See evidence of proof of notice attached.

[illegible]

[illegible]

LOGS ARE AVAILABLE

EDDY COUNTY NEW MEXICO WILDCAT
Well: COQUINA OIL CORP, 1 Alkman
Locn: Sec 27-19S-25E; 660' FSL, 1980' FWL Sec Result: D & A WF

Spud: 1-10-74; Comp: 3-26-74; Elev: 3466' Grd; TD: 9544'
Casing: 9-5/8" 422' 450' ex
Comp Infor: DST 9160-9310', op 2 hrs 5 mins, GTS 4 mins, est 195,000 CFGPD, 1" ch,
ISIP 331#/1 hr, FP 229-250#, FSIP 3861#/4 hrs; DST 9432-9450', op 1 hr, rec 70'
VSOCM, ISIP 125#/1 hr, FP 125-125#, FSIP 729#/2 hrs; SP-DST 7740-7815', op 1 hr
15 mins, GTS 6 mins, est 600,000 CFGPD, 1/2" ch, TP 95#, rec trace O & GCM,
ISIP 3082#/1 hr, FP 942-2652#, FSIP 3055#/2 hrs; C/Lakewood Drilg Co
Tops EL: San And 755', Glor 2360', Tubb 3125', Abo 3740', Wolfe 6310', Canyon
7695', Strawn 8225', Atoka 8515', Morrow 9102', Miss 9486'
API No: 30-015-21045

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Petroleum Information

CORPORATION
A subsidiary of A.C. Howe Company

Date: 4-17-74

Card No.: 5 dh

Propose to run 2-7/8", 6.4#, N-80 tbg.
with packer set at \pm 10,150'

Tbg.-Csg. annulus to be loaded
with inhibited water

12-3/4, 34.6# csg. at 400'
cement circulated

9-5/8" csg. at 1200'
cement circulated

Proposed D.V. Tool @ 6000'
3rd Stage: 1000 sks. Premium Lite
plus 100 sks. premium cement

Proposed D.V. Tool at 9400'
2nd Stage: 550 sks. Premium Lite
plus 100 sks. premium cement

Propose to set 5-1/2", 17#, N-80 csg.
at \pm 10,300 with formation packer shoe
1st Stage: 300 sks. premium cement

DEVONIAN

Proposed open hole \pm 10,300'-10,700'

Proposed T.D. 10,700

NEARBURG PRODUCING COMPANY
Aikman-State No. 1-SWD
Eddy County, New Mexico

STEPHEN B. AIKMAN

24 SMITH ROAD, SUITE 200

MIDLAND, TEXAS 79705

915-686-0129

March 21, 1991

To: Bob Shelton

Re: Aikman-State SWD
Offset Operators

N/2 27-19S-25E:

Nearburg - South Boyd Unit

N/2 28-19S-25E:

Yates Petroleum Corporation
207 S. 4th St.
Artesia, NM 88210

N/2 34-19S-25E &

SE/4 27-19S-25E:

American National Petroleum Company
P.O. Box 42175
Houston, TX 77242-2175

S/2 28-19S-25E:

Texaco Producing, Inc.
P.O. Box 3109
Midland, TX 79702

N/2 33-19S-25E:

Mewbourne Oil Company
P.O. Box 7698
Tyler, TX 75711

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 12, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ross Ranch
Post Office Box 845
Artesia, NM 88220

Re: Application of Nearburg Producing Company for Salt Water Disposal, Eddy
County, New Mexico

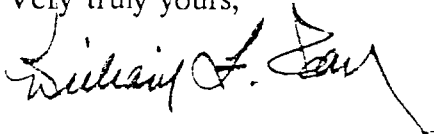
Gentlemen:

Enclosed is a copy of the application of Nearburg Producing Company to the New Mexico Oil Conservation Division seeking authority to dispose of produced waters into the Devonian formation in its Aikman State Well No. 1, located 660 feet from the South line and 1980 feet from the West line of Section 27, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

If you have questions concerning this application you may contact Mr. Mark Nearburg, One Petroleum Center, Building 8, 3300 North "A" Street, Suite 100, Midland, Texas 79705; telephone (915) 686-8235.

Any objections to this application or requests for hearing must be filed with the Oil Conservation Division, Post Office Box 2088, Santa Fe, New Mexico 87501 within fifteen days of this letter.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P-106 677 922

RECEIPT FOR POSTAGE

Post Office Box 845
Artesia, NM 88220
Due Payment

Ross Ranch
Post Office Box 845
Artesia, NM 88220

Postage	1.75
Postage Due	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.00
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	2.75
Postmark or Date APR 12 1991	

PS Form 3800, June 1985

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LAWYERS

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MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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April 12, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
207 South 4th Street
Artesia, NM 88210

Re: Application of Nearburg Producing Company for Salt Water Disposal, Eddy
County, New Mexico

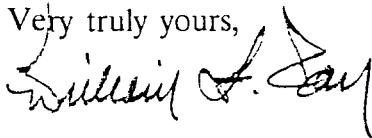
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P-106 677 921

RECEIPT FOR CERTIFIED MAIL
U.S. POSTAL SERVICE
100-10 NATIONAL MAIL
See Reverse

Yates Petroleum Corporation
207 South 4th Street
Artesia, NM 88210

PS Form 3800, June 1985

	.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.00
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	2.75
Postmark or Date APR 12 1991	

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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 12, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mewbourne Oil Company
Post Office Box 7698
Tyler, TX 75711

Re: Application of Nearburg Producing Company for Salt Water Disposal, Eddy
County, New Mexico

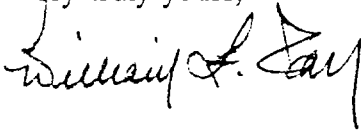
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P-106 677 920

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
WASHINGTON, D.C. 20262

See Reverse

Mewbourne Oil Company
Post Office Box 7698
Tyler, TX 75711

Content Fee	.75
Weight Delivery Fee	1.00
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.00
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	2.75
Postmark or Date APR 12 1991	

PS Form 3800, June 1985

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JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 12, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texaco Producing, Inc.
Post Office Box 3109
Midland, TX 79702

Re: Application of Nearburg Producing Company for Salt Water Disposal, Eddy
County, New Mexico

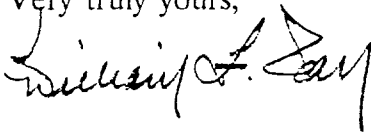
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If you have questions concerning this application you may contact Mr. Mark Nearburg, One Petroleum Center, Building 8, 3300 North "A" Street, Suite 100, Midland, Texas 79705; telephone (915) 686-8235.

Any objections to this application or requests for hearing must be filed with the Oil Conservation Division, Post Office Box 2088, Santa Fe, New Mexico 87501 within fifteen days of this letter.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P-106 677 919

RECEIPT FOR CERTIFIED MAIL

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

Texaco Producing, Inc.
Post Office Box 3109
Midland, TX 79702

Certified Fee	1.75
Special Delivery Fee	1.00
Registered Mailing Fee	
Return Receipt with Proof of Mailing and Date Delivered	1.00
Any Declaration with Date and Address of Delivery	
TOTAL Postage and Fees	2.75
Postmark or Date APR 12 1991	

PS Form 3800, June 1985

CAMPBELL & BLACK, P.A.
LAWYERS

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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 12, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

American National Petroleum Co.
Post Office Box 42175
Houston, TX 77242-2175

Re: Application of Nearburg Producing Company for Salt Water Disposal, Eddy
County, New Mexico

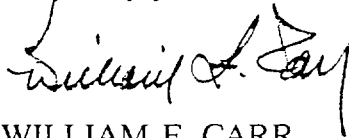
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If you have questions concerning this application you may contact Mr. Mark Nearburg, One Petroleum Center, Building 8, 3300 North "A" Street, Suite 100, Midland, Texas 79705; telephone (915) 686-8235.

Any objections to this application or requests for hearing must be filed with the Oil Conservation Division, Post Office Box 2088, Santa Fe, New Mexico 87501 within fifteen days of this letter.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P-106 677 918

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
UNITED STATES MAIL

(See Backs M)

American National Petroleum Co.
Post Office Box 42175
Houston, TX 77242-2175

PS Form 3800, June 1985

	1.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.00
Return Receipt showing to whom Delivered and Address of Delivery	
TOTAL Postage and Fees	2.75
Postmark or Date APR 12 1991	

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LAWYERS

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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 12, 1991

HAND-DELIVERED

RECEIVED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

APR 12 1991
OIL CONSERVATION DIV.
SANTA FE

Re: In the Matter of the Application of Nearburg Producing Company for Salt
Water Disposal, Eddy County, New Mexico

Dear Mr. LeMay:

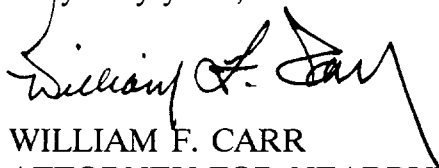
Enclosed is an application of Nearburg Producing Company seeking administrative approval to convert its Aikman State Well No. 1 for disposal of produced water into the Devonian formation.

Notice of this application was provided on April 12, 1991, by certified mail to the owner of the surface of the land on which the well is located and to each leasehold operator within one-half mile of the well location. Notice by publication will be provided in the Artesia Daily Press on April 14, 1991, in accordance with the requirements of OCD Form C-108. As soon as it is received, an affidavit of publication will be filed with the Division to be included in with this application.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
April 12, 1991
Page Two

If you need anything further from Nearburg Producing Company for your consideration of this application, please advise.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh

Enclosure

cc w/enclosure: Mr. M. B. Williams, Supervisor
Oil Conservation Division, District II
811 South First Street
Artesia, New Mexico 88210

Mr. Mark Nearburg
Nearburg Producing Company
1 Petroleum Center
Building 8, Suite 100
3300 N. "A" Street
Midland, Texas 79705

CAMPBELL & BLACK. P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

April 22, 1991

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
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HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

OIL CONSERVATION DIVISION

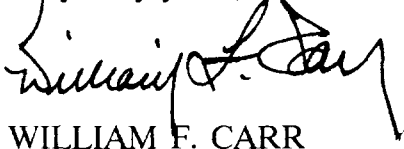
Re: Oil Conservation Division Case No. 10283
In the Matter of the Application of Nearburg Producing Company for Salt
Water Disposal, Eddy County, New Mexico

Dear Mr. LeMay:

Pursuant to my April 12, 1991 letter to you, enclosed for your files is the original Affidavit of Publication No. 13495 which was published in the Artesia Daily Press on April 14, 1991 with reference to the above-captioned matter.

If you require anything further from us to proceed administratively with this application, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Mr. Bob Shelton
Mr. Mark K. Nearburg
Nearburg Producing Company
One Petroleum Center Building 8
3300 North "A" Street, Suite 100
Midland, Texas 79705

Affidavit of Publication

No. 13495

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of

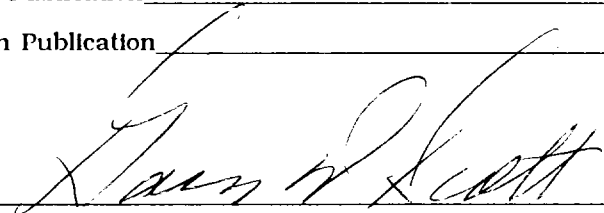
the state of New Mexico for 1 days consecutive weeks on the same day as follows:

First Publication April 14, 1991

Second Publication _____

Third Publication _____

Fourth Publication _____


Subscribed and sworn to before me this 16th day of April 1991


Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1991

Copy of Publication

LEGAL NOTICE

Notice is hereby given of the application of Burg Producing Company, disposal of oil in its Artesia 1, located in the South from West Township East, N.M. New Mexico proposes to inject oil formation to 10,700 pressure 100 to a maximum 1200. The volume 1000 be from 1000 BW.

Hearing may be conducted at One building 3300 Street, Suite 100, Artesia 797, telephone 823 attention Mary.

Interested parties may file objections or a request for hearing with the Oil Conservation Division, Post Office Box 2082, Santa Fe, New Mexico 87501 within fifteen days of this publication.

Published in the Artesia Daily Press, Artesia, N.M. April 14, 1991.

Legal 13495