

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 18, 1998

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attention: Mr. Ben Stone

New Mexico Salt Water Disposal Company, Inc.
P. O. Box 1518
Roswell, New Mexico 88202

Attention: Mr. John C. Maxey, Jr.

Re: Request for Exemption to OCD Rule 701
Continental State #1
1976.6' FNL & 1970.1' FWL
Section 18 T10S-R34E
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation, pursuant to your request dated December 2, 1998 and our subsequent agreement, hereby waives any objection to your application to dispose of salt water into the San Andres formation in the captioned well. This waiver of objection is specifically subject to the agreement between New Mexico Salt Water Disposal Company, Inc. and Yates Petroleum Corporation dated December 16, 1998 attached.

Should you require anything further, please do not hesitate to contact me.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Land Manager

RGP/mw

Enclosure

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

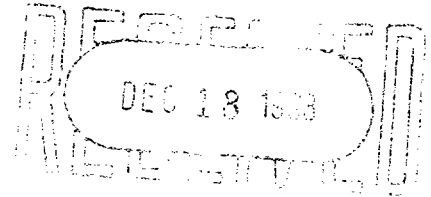
400 N. PENN. SUITE 1000

P. O. BOX 1518

ROSWELL, NEW MEXICO 88202

PHONE 505 622-3770

December 16, 1998



Yates Petroleum Corporation
105 S. 4th
Artesia, New Mexico 88210

Attention: Randy Patterson

RE: Continental State #1
SWD Waiver

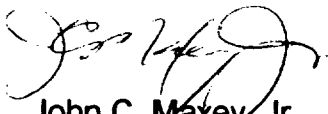
Dear Randy:

Pursuant to our conversation of Monday, December 14, 1998, New Mexico Salt Water Disposal Company, Inc. agrees with your stipulation to limit maximum surface injection pressure at the wellhead to 500 psig on the subject well.

If you have any other questions concerning our operation, please give me a call.

Sincerely,

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.


John C. Maxey, Jr.
Agent

AOR TIL 2
PA 2
REPAIR Ø
Ⓟ

JCM/sr/swdltrs/yatescs1

SWD 12/28/98
735

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.
400 N. PENN, SUITE 1000 P. O. BOX 1518
ROSWELL, NEW MEXICO 88202
PHONE 505 622-3770

December 9, 1998

Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

DEC 11 1998

Attention: Mr. Ben Stone

RE: Application For Permit To Dispose Of Salt Water
Continental State #1
1976.6' FNL & 1970.1' FWL
Section 18 T10S-R34E
Lea County, New Mexico

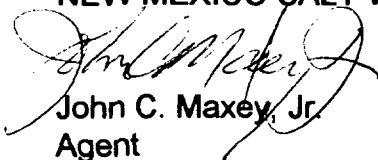
Dear Ben:

As I discussed with you several weeks ago the New Mexico Salt Water Disposal Company, Inc. is in a bit of a financial crunch due to losing the subject disposal well in the Bough "C" formation. Therefore, enclosed is our application for authorization to inject into the San Andres formation in the subject well. Since we are enduring a financial hardship until additional injection capacity can be put into service, I would appreciate it if you can expedite this application in every possible way. The land owner and offset operators have received a copy of the application as evidenced by the certified mail receipts enclosed. Also enclosed from the Hobbs Daily News Sun is an affidavit evidencing our legal notice published December 3, 1998. Pursuant to Rule 701 our application can be approved administratively if no protests or requests for hearings are received fifteen (15) days after this date of notification.

Please let me know if you have any questions concerning our application.

Sincerely,

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.


John C. Maxey, Jr.
Agent

JCM/sr/jcmltrsocd2cont1
Enclosures
Orig: OCD Santa Fe & 1 xc
Xc: OCD Hobbs

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs Daily News-Sun, a
daily newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

December 3 1998

and ending with the issue dated

December 3 1998



Publisher

Sworn and subscribed to before

me this 2nd day of

December 1998



Notary Public.

My Commission expires
October 18, 2000
(Seal)

LEGAL NOTICE
December 3, 1998

New Mexico Salt Water Disposal Company, Inc. will apply for authority to convert the Continental State #1 well located 1976.6' FNL & 1970.1' FWL of Section 18 T10S-R34E of Lea County, New Mexico into a salt water disposal well. Water produced from oil & gas leases west of Crossroads, New Mexico will be disposed of into the San Andres formation from 4,200' to 5,300'. The maximum daily injection rate will be 2,000 BWPD with a maximum injection pressure of 1,000 psi. Interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 S. Pacheco Street, Santa Fe, New Mexico 87505 within fifteen (15) days of this notice.

John C. Maxey, Jr.

Agent

New Mexico Salt Water Disposal Company, Inc.

P.O. Box 1518

Roswell, New Mexico 88202

505/622-3770

#16306

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

a0107570000 01528367

Read & Stevens, Inc.

P.O. Box 1518

a/c 463165

ROSWELL, NM 88202

Is your RETURN ADDRESS completed on the reverse side?

| | | | |
|---|--|--|--|
| SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, 4a, and 4b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered. | | I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee. | |
| 3. Article Addressed to: COMMISSIONER OF PUBLIC LANDS STATE LAND OFFICE P. O. BOX 1148 SANTA FE, NM 87504-1148 | | 4a. Article Number Z 262 030 380 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD 7. Date of Delivery DEC 03 1994 | |
| 5. Received By: (Print Name) [Signature] | | 6. Addressee's Address (Only if requested and fee is paid) | |
| 6. Signature: (Addressee or Agent) X | | | |

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

| | | | |
|---|--|--|--|
| SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, 4a, and 4b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered. | | I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee. | |
| 3. Article Addressed to: BTA OIL PRODUCERS ATTN: LAND MANAGER 104 S. PECOS MIDLAND, TX 79701 | | 4a. Article Number Z 262 030 389 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD 7. Date of Delivery DEC 03 1998 | |
| 5. Received By: (Print Name) LUIS SOSA [Signature] | | 6. Addressee's Address (Only if requested and fee is paid) | |
| 6. Signature: (Addressee or Agent) X | | | |

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

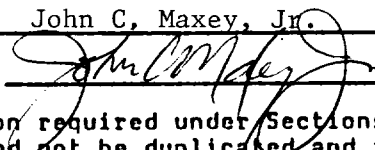
Is your RETURN ADDRESS completed on the reverse side?

| | | | |
|---|--|--|--|
| SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, 4a, and 4b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered. | | I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee. | |
| 3. Article Addressed to: YATES PETROLEUM ATTN: LAND MANAGER 105 S. 4TH ARTESIA, NM 88210 | | 4a. Article Number Z 262 030 385 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD 7. Date of Delivery 12-3-98 | |
| 5. Received By: (Print Name) JOANN GRIGGS | | 6. Addressee's Address (Only if requested and fee is paid) | |
| 6. Signature: (Addressee or Agent) JoAnn Griggs [Signature] | | | |

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☐ no
- II. Operator: New Mexico Salt Water Disposal Company, Inc.
Address: P. O. Box 1518 Roswell, New Mexico 88202
Contact party: John C. Maxey, Jr. Phone: 505/622-3770
- 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: John C. Maxey, Jr. Title Agent
Signature:  Date: 12/02/98
- * 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.

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 2008, 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.

Application For Authorization To Inject
New Mexico Salt Water Disposal Company, Inc.
Supplemental Information Per OCD Form C-108
December 2, 1998

III.A. 1. Continental State #1, 1976.6' FNL & 1970.1' FWL, Section 18 T10S-R34E, Lea County, New Mexico.

| <u>Csg Size</u> | <u>Depth</u> | <u>Cement (sx)</u> | <u>Hole Size</u> | <u>TOC</u> |
|-----------------|--------------|--------------------|------------------|-----------------------|
| 12 3/4" | 363' | 350 | 15" | Circulated To Surface |
| 8 5/8" | 4,045' | 350 | 11" | 2,188' Calculated |
| 5 1/2" | 9,925' | 500 | 7 7/8" | 5,400' Squeeze Cement |

3. 2 3/8" 2,500 psi fiberglass tubing latched into a packer at 4,100'.

4. Baker Lok-set packer set at 4,100' with a 1.78" ID profile and right hand release on-off tool.

5. All components nickel plated or plastic coated.

III.B. 1. The injection interval is the San Andres formation in the Vada Penn field.

2. The injection interval is located from 4,200' to 5,300', perforated through casing.

3. The well was originally drilled as a Bough "C" producer in 1968. The well is depleted and uneconomic to produce.

4. The Bough "C" perms 9,754'—9,880' have been P&A'd w/ a CIBP @ 7,100' w/ 100' cement on top, and 40 sx cement squeezed below CIBP. Perfs @ 5,460' (2 holes) have been squeezed w/ 30 sx cement below a cement retainer @ 5,400', w/ 100' cement plug set above CIR.

5. The next lower interval that produces in the area is the Abo with the top being located at approximately 7,750'. There is no higher interval of production in the area.

- V. A map is attached identifying all leases in the area of the proposed disposal well, and the one half-mile radius area of interest is drawn around the proposed disposal well.
- VI. Within the area of review there are two wells that penetrate the proposed injection zone. The Champlin 18 State #1 is located 1980' FSL and 1980' FWL of Section 18 T10S-R34E, Lea County, New Mexico. This well was spudded on March 7, 1968 and completed on May 1, 1968 in the Permo Penn (Bough "C"). The well was drilled to a total depth of 9,910' and is plugged and abandoned. An attached schematic illustrates all plugging details. The Champlin 18 State #2 is located 1980' FNL and 1980' FEL of Section 18 T10S-R34E, Lea County, New Mexico. It was spudded on May 5, 1968 and completed June 12, 1968. Total depth was 9,915' and it was completed in the Permo Penn (Bough "C"). An attached schematic illustrates all plugging details.
- VII. 1. The proposed average and maximum daily rate and volume of fluids to be injected are 720 BWPD and 2000 BWPD respectively.
2. The system is a closed system.
3. The anticipated average operating pressure is 0 psi and the anticipated maximum operating pressure is 1,000 psi.
4. The source for injected fluid is Bough "C" and San Andres produced water being produced from the area west of Crossroads, New Mexico. An analysis of the Injection fluid is attached.
5. Attached is a chemical analysis of produced water from the Flying M San Andres field in Section 21-T9S-R33E of Lea County, New Mexico.
- VIII. The proposed injection zone the San Andres formation is a brown to light tan dolomite having intercrystalline porosity. Porosity ranges from 5% to 10% using an Acoustic Velocity log run in 1968. The interval proposed for injection is 1,100' with the top of the San Andres formation located at 3,985'. The 12 3/4" surface casing was run to a depth of 363' to protect any underground sources of fresh water. There are no known sources of fresh water below 363' overlying the proposed injection zone, and there are no known sources to be immediately underlying the injection interval.

- IX. The proposed injection interval will be treated with 1,000 gallons of 20% NEFe acid down tubing with a packer set approximately 100' above the top perf. The average injection rate will be 5 to 7 BPM.
- X. Appropriate logs have been filed with the Division and do not need to be resubmitted.
- XI. There are no fresh water wells within one mile of the proposed disposal well, according to a search done by the New Mexico State Engineers office.
- XII. Upon examination of the available geologic and engineering data, no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water was found.
- XIII. Notice of this application has been furnished 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. The land owner and leasehold operators are listed below. Since this application is subject to administrative approval, proof of publication is also attached to this application and was published in the Hobbs News Sun, Lea County, New Mexico.

Land Owner: Commissioner of Public Lands
State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Leasehold Operators: Yates Petroleum
Attn: Land Manager
105 S. 4th
Artesia, New Mexico 88210

BTA Oil Producers
Attn: Land Manager
104 S. Pecos
Midland, Texas 79701

JCM/sr/jcmltrs/swdappc1

Attachments

Continental St #1
 Sec 18 10S - 34E
 Lea Co., NM
 November 18, 1998
 Current Config

15" hole x 12 3/4" 48# csg @ 363' cmt w/ 350 sx to surf

ILLEGIBLE

11" hole x 8 5/8" 24# & 32#, J55 csg @ 4,045' cmt w/ 350 sx.
 TDC 2,188' FS (Calc)

Perf San Andres 4,692 - 4,700, 4,716 - 34, 4,776 - 86,
 4,792 - 4,806, and 4,826 - 30 w/ 2 spf, 113 holes.

CIR set @ 5,400 w/ squeeze perfs @ 5,460 (2 holes). Squeeze
 w/ 30 sx to 3,000 psi, dumping 100' cmt on CIR.

Set CIBP @ 7,000 and spot 100' cmt on top.

Csg collapsed @ 7,100'. Squeeze cmt interval w/ 40 sx cmt @
 1 BPM and 3,000 psi. Drill out and attempt to swedge csg.
 TDC @ 6,050' est.

2 3/8" 2,500 psi fiberglass tubing w/ nickel plated Baker Lok-Set
 pkr, 1.78" ID profile and right hand release on-off tool
 set @ 9,700'.

Bough perfs 9,754 - 64, 9,782 - 84, 9,792 - 9,800, 9,810 - 22,
 and 9,866 - 80.

7 7/8" hole x 5 1/2" 15.5# & 17# J55 & N80 csg @ 9,925' cmt w/
 500 sx. TDC 7,340' TS. PBTD 9,892'

Continental St #1
 Sec 18 10S - 34E
 Lea Co., NM
 November 18, 1998
 Proposed Config

15" hole x 12 3/4" 48# csg @ 363' cmt w/ 350 sx to surf

2 3/8" fiberglass tbg landed on nickel plated double set
 pkr set @ 4,100' using a 1.78" profile and on-off tool.

11" hole x 8 5/8" 24# & 32#, J55 csg @ 4,045' cmt w/ 350 sx.
 TDC 2,188' FS (Calc)

Squeeze on circ cmt through 2 holes @ 4,100' to
 isolate 5 1/2" x 7 7/8" annulus.

Perf San Andres 4,692 - 4,700, 4,716 - 34, 4,776 - 86,
 4,792 - 4,806, and 4,826 - 30 w/ 2 spf. 113 holes.

CIR set @ 5,400 w/ squeeze perfs @ 5,460 (2 holes). Squeeze
 w/ 30 sx to 3,000 psi, dumping 100' cmt on CIR.

Set CIBP @ 7,000 and spot 100' cmt on top.

Csg collapsed @ 7,100'. Squeeze cmt interval w/ 40 sx cmt @
 1 BPM and 3,000 psi. Drill out and attempt to swedge csg.
 TDC @ 6,050' est.

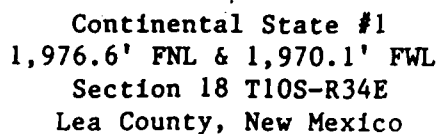
2 3/8" 2,500 psi fiberglass tubing w/ nickel plated Baker Lok-Set
 pkr, 1.78" ID profile and right hand release on-off tool
 set @ 9,700'.

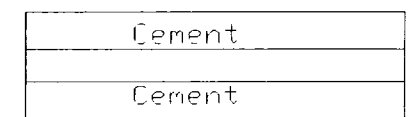
Bough perfs 9,754 - 64, 9,782 - 84, 9,792 - 9,800 9,810 - 22,
 and 9,866 - 80.

7 7/8" hole x 5 1/2" 15.5# & 17# J55 & N80 csg @ 9,925' cmt w/
 500 sx. TDC 7,340' TS. PBTD 9,892'

ILLEGIBLE

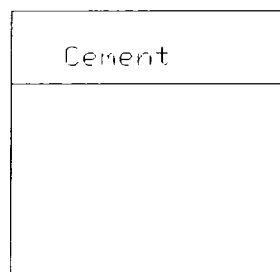
SWD Application
Area of Review
Form C-108, Item V
12/02/98





10 sx cmt surf plug

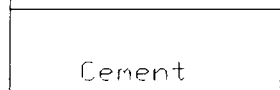
Champlin 18 St #1
 Sec 18 10S - 34E
 Lea Co., NM
 March 11, 1998
 Current Config



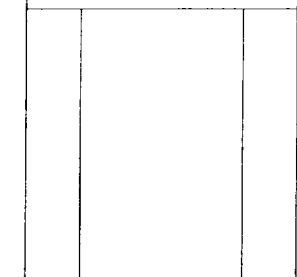
150 sx cmt plug
 from 443 - 220

Shot 8 5/8" csg
 @ 1,000 and pulled.
 Set 100 sx cmt plug
 from 1,050 - 950

13 3/8" csg @ 393' cmt w/ 425 sx to surf

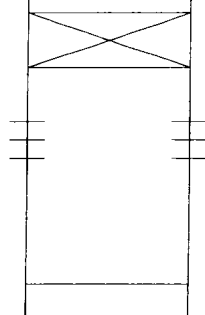


Shot 5 1/2" csg @ 2,250 and pulled.
 50 sx cmt plug from 2,250 - 2,150



8 5/8" csg @ 4,060' cmt w/ 800 sx.
 TDC 3,010' by TS

ILLEGIBLE



Set CIBP @ 9,500 w/ 50' of cmt on top.

Permo Penn perfs 9,878 - 90

5 1/2" csg @ 9,910' w/ DV @ 5,408'. cmt 1st w/ 450 sx.
 Cmt 2nd w/ 500 sx. TDC 2,450' (calc)

RECEIVED

DISTRIBUTION

Form C-105
Revised 1-1-65NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease

State ☒Fee ☐

5. State Oil & Gas Lease No.

K-3105

1a. TYPE OF WELL

OIL WELL ☒GAS WELL ☐DRY ☐

OTHER

b. TYPE OF COMPLETION

NEW WELL ☒WORK OVER ☐DEEPEN ☐PLUG BACK ☐DIFF. RESVR. ☐

OTHER

2. Name of Operator

Champlin Petroleum Company

3. Address of Operator

P. O. Box 872 Midland, Texas

4. Location of Well

UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM

THE West LINE OF SEC. 18 TWP. 10-S RGE. 34-E NMPM

7. Unit Agreement Name

8. Farm or Lease Name

State "18"

9. Well No.

1

10. Field and Pool, or Wildcat

Undesignated

12. County

Lea

15. Date Spudded

3-7-68

16. Date T.D. Reached

4-26-68

17. Date Compl. (Ready to Prod.)

5-1-68

18. Elevations (DF, RKB, RT, CR, etc.)

4213 DF

19. Elev. Casinghead

4202

20. Total Depth

9910

21. Plug Back T.D.

-

22. If Multiple Compl., How Many

23. Intervals Drilled By

Rotary Tools

0-9910

Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name

9878 - 9890

Permo Penn

25. Was Directional Survey Made

No

26. Type Electric and Other Logs Run

Focused Log, Acoustilog, Minifocused Log, Temperature Survey

27. Was Well Cored

No

28. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|---|---------------|
| 13 3/8" | 61 | 393 | 17" | 425 sks. Class "C" | None |
| 8 5/8" | 24 & 32 | 4060 | 11" | 600 sk. lite wate & 200 sks. type "H" | None |
| 5 1/2" | 17 & 20 | 9910 | 7 7/8" | 800 sks. lite wate, 150 sks. type "H" & 500 sks. type "C" | None |

29. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
|------|-----|--------|--------------|--------|--------|-----------|------------|
| | | | | | 2 7/8" | 9817 | 9810 |

30. TUBING RECORD

31. Perforation Record (Interval, size and number)

Producing Interval 9878-9890

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
|----------------|-------------------------------|
| 9878-9890 | 500 gals. 15% Spearhead Acid |
| | |
| | |

33. PRODUCTION

| | | | | | | | |
|-----------------------|-----------------|---|-------------------------|------------|--------------|--------------------------------|-----------------|
| Date First Production | | Production Method (Flowing, gas lift, pumping - Size and type pump) | | | | Well Status (Prod. or Shut-in) | |
| 5-2-68 | | Flowing | | | | Producing | |
| Date of Test | Hours Tested | Choke Size | Prod'n. For Test Period | Oil - Bbl. | Gas - MCF | Water - Bbl. | Gas - Oil Ratio |
| 5-3-68 | 24 | 32/64 | | 680 | 617 | 102 | 907/1 |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API (Corr.) | |
| 275# | Sealed | | 680 | 617 | 102 | 49.2 | |

34. Disposition of Gas (Sold, used for fuel, vented, etc.)

Vented

Test Witnessed By

W.E. Williams

35. List of Attachments

Minifocused, Focused & Acoustilog Logs

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

Victor M. Randalp

TITLE

District Clerk

DATE

May 6, 1968

INSTRUCTIONS

shall be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted on the drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

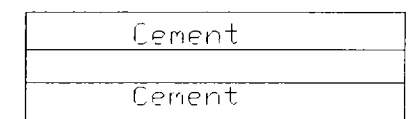
Southeastern New Mexico

Northwestern New Mexico

| | | | |
|-----------------------------|------------------------|-----------------------------|-------------------------|
| T. Anhy _____ 1810 | T. Canyon _____ | T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Salt _____ 1900 | T. Strawn _____ | T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| T. Salt _____ | T. Atoka _____ | T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Yates _____ 2707 | T. Miss _____ | T. Cliff House _____ | T. Leadville _____ |
| T. 7 Rivers _____ | T. Devonian _____ | T. Menefee _____ | T. Madison _____ |
| T. Queen _____ 3403 | T. Silurian _____ | T. Point Lookout _____ | T. Elbert _____ |
| T. Grayburg _____ | T. Montoya _____ | T. Mancos _____ | T. McCracken _____ |
| T. San Andres _____ 3975 | T. Simpson _____ | T. Gallup _____ | T. Ignacio Qtzite _____ |
| T. Glorieta _____ 5405 | T. McKee _____ | Base Greenhorn _____ | T. Granite _____ |
| T. Paddock _____ | T. Ellenburger _____ | T. Dakota _____ | T. _____ |
| T. Blinbry _____ | T. Gr. Wash _____ | T. Morrison _____ | T. _____ |
| T. Tubb _____ 6392 | T. Granite _____ | T. Todilto _____ | T. _____ |
| T. Drinkard _____ | T. Delaware Sand _____ | T. Entrada _____ | T. _____ |
| T. Abo _____ 7755 | T. Bone Springs _____ | T. Wingate _____ | T. _____ |
| T. Wolfcamp _____ 8900 | T. _____ | T. Chinle _____ | T. _____ |
| T. Penn. _____ 9872 | T. _____ | T. Permian _____ | T. _____ |
| T. Cisco (Bough) _____ 9872 | T. _____ | T. Penn. "A" _____ | T. _____ |

FORMATION RECORD (Attach additional sheets if necessary)

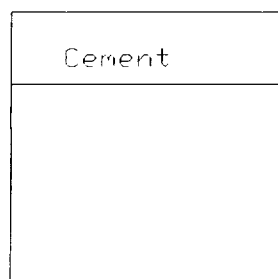
| From | To | Thickness in Feet | Formation | From | To | Thickness in Feet | Formation |
|------|------|----------------------|-------------------------|------|----|----------------------|-----------|
| 0 | 400 | 400 | Caliche, Sand and Shale | | | | |
| 400 | 1810 | 1410 | Redbed | | | | |
| 1810 | 3885 | 2075 | Anhydrite | | | | |
| 3885 | 7539 | 3654 | Lime | | | | |
| 7539 | 8193 | 654 | Shale & Lime | | | | |
| 8193 | 8762 | 569 | Lime | | | | |
| 8762 | 8882 | 120 | Lime, Shale & Chert | | | | |
| 8882 | 9017 | 135 | Lime & Shale | | | | |
| 9017 | 9270 | 253 | Lime | | | | |
| 9270 | 9403 | 133 | Lime, Shale & Chert | | | | |
| 9403 | 9615 | 212 | Lime | | | | |
| 9615 | 9715 | 100 | Lime & Shale | | | | |
| 9715 | 9910 | 195 | Lime | | | | |



10 sx cmt surf plug

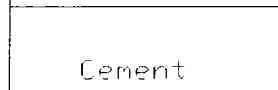
150 sx cmt plug
from 449 - 350

Champlin 18 St #2
Sec 18 10S - 34E
Lea Co., NM
March 11, 1998
Current Config

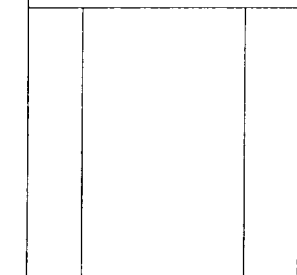


Shot 8 5/8" csg
@ 891 and pulled.
Set 100 sx cmt plug
from (approx) 943 - 840

13 3/8" csg @ 393' cmt w/ 425 sx to surf

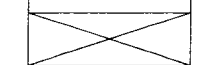


Shot 5 1/2" csg @ 2,395 and pulled.
50 sx cmt plug from 2,445 - 2,289



8 5/8" csg @ 4,104' cmt w/ 600 sx.
TOC 3,270' (est from #1well)

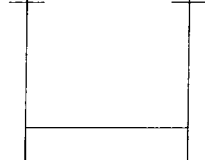
ILLEGIBLE



Set CIBP @ 9,800 w/ 35' of cmt on top.



Permo Penn perms 9,880 - 92



5 1/2" csg @ 9,915' w/ DV @ 5,403'. cmt 1st w/ 500 sx.
Cmt 2nd w/ 500 sx. TOC 2,450' (calc)

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

JUN 18 11 37 AM '68

5a. Indicate Type of Lease
State ☒ Fee ☐
5. State Oil & Gas Lease No.
K-3405

1. TYPE OF WELL
a. TYPE OF COMPLETION
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

7. Unit Agreement Name
8. Farm or Lease Name
State "18"
9. Well No.
2
10. Field and Pool, or Wildcat
Inbe - Permo Penn

2. Name of Operator
Champlin Petroleum Company
3. Address of Operator
P. O. Box 872, Midland, Texas 79701

4. Location of Well
UNIT LETTER G LOCATED 1980 FEET FROM THE North LINE AND 1980 FEET FROM

THE East LINE OF SEC. 18 TWP. 10-S RSE. 34-E NMPM

12. County
Lea

15. Date Spudded 5-5-68 16. Date T.D. Reached 6-7-68 17. Date Compl. (Ready to Prod.) 6-12-68 18. Elevations (DF, RKB, RT, GR, etc.) 4214 DF 19. Elev. Casinghead 4203

20. Total Depth 9915 21. Plug Back T.D. 9905 22. If Multiple Compl., How Many 23. Intervals Drilled By Rotary Tools 0-9915 Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name 9880-9892 Bough "C" 25. Was Directional Survey Made No

26. Type Electric and Other Logs Run Acoustic Cement Bond and Gamma Ray Neutron 27. Was Well Cored No

| 28. CASING RECORD (Report all strings set in well) | | | | | |
|--|----------------|-----------|-----------|------------------|---------------|
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
| 13-3/8" | 61# | 393 | 17 1/2" | 425 sacks | None |
| 8-5/8" | 24# & 32# | 4104 | 11 " | 600 sacks | None |
| 5-1/2" | 20# & 17# | 9915 | 7-7/8" | 1000 sacks | None |

| 29. LINER RECORD | | | | 30. TUBING RECORD | | |
|------------------|-----|--------|--------------|-------------------|-----------|------------|
| SIZE | TOP | BOTTOM | SACKS CEMENT | SIZE | DEPTH SET | PACKER SET |
| | | | | 2-3/8" | 9860 | 9851 |

| 31. Perforation Record (Interval, size and number) | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | |
|--|-----------------|--|-------------------------------|
| 9880-9892 | 2-.42 holes/ft. | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
| | | 9880-9892 | 500 gals, 15% HCL |

33. PRODUCTION
Date First Production 6-12-68 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) Producing
Date of Test 6-15-68 Hours Tested 24 Choke Size 32/64 Prod'n. For Test Period 441 Oil - Bbl. 512 Gas - MCF 123 Water - Bbl. 1161
Flow Tubing Press. 155 Casing Pressure Sealed Calculated 24-Hour Rate 441 Oil - Bbl. 512 Gas - MCF 123 Water - Bbl. 47° Oil Gravity - API (Corr.)

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented Test Witnessed By Wayne Sparkman

35. List of Attachments Will send logs under separate cover.

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Walter M. Randolph TITLE District Clerk DATE June 17, 1968

INSTRUCTIONS

to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

| | | | |
|--------------------------------|------------------------|-----------------------------|-------------------------|
| T. Anhy <u>2032</u> | T. Canyon _____ | T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Salt <u>2100</u> | T. Strawn _____ | T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| T. Salt _____ | T. Atoka _____ | T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Yates <u>2713</u> | T. Miss _____ | T. Cliff House _____ | T. Leadville _____ |
| T. 7 Rivers _____ | T. Devonian _____ | T. Menefee _____ | T. Madison _____ |
| T. Queen _____ | T. Silurian _____ | T. Point Lookout _____ | T. Elbert _____ |
| T. Grayburg _____ | T. Montoya _____ | T. Mancos _____ | T. McCracken _____ |
| T. San Andres <u>3985</u> | T. Simpson _____ | T. Gallup _____ | T. Ignacio Qtzite _____ |
| T. Glorieta <u>5414</u> | T. McKee _____ | Base Greenhorn _____ | T. Granite _____ |
| T. Paddock _____ | T. Ellenburger _____ | T. Dakota _____ | T. _____ |
| T. Blinberry _____ | T. Gr. Wash _____ | T. Morrison _____ | T. _____ |
| T. Tubb <u>6900</u> | T. Granite _____ | T. Todilto _____ | T. _____ |
| T. Drinkard _____ | T. Delaware Sand _____ | T. Entrada _____ | T. _____ |
| T. Abo <u>7764</u> | T. Bone Springs _____ | T. Wingate _____ | T. _____ |
| T. Wolfcamp <u>8300</u> | T. _____ | T. Chinle _____ | T. _____ |
| T. Penn. <u>9873</u> | T. _____ | T. Permian _____ | T. _____ |
| T. Cisco (Bough C) <u>9873</u> | T. _____ | T. Penn. "A" _____ | T. _____ |

FORMATION RECORD (Attach additional sheets if necessary)

| From | To | Thickness in Feet | Formation | From | To | Thickness in Feet | Formation |
|------|------|----------------------|------------------|------|----|----------------------|-----------|
| 0 | 2523 | 2523 | Redbeds | | | | |
| 2523 | 3020 | 497 | Anhydrite & Salt | | | | |
| 3020 | 3910 | 890 | Anhydrite | | | | |
| 3910 | 7647 | 3737 | Lime | | | | |
| 7647 | 7902 | 255 | Lime & Shale | | | | |
| 7902 | 8263 | 361 | Shale | | | | |
| 8263 | 8527 | 264 | Shale & Lime | | | | |
| 8527 | 8984 | 457 | Lime | | | | |
| 8984 | 9112 | 128 | Lime & Chert | | | | |
| 9112 | 9570 | 458 | Shale & Lime | | | | |
| 9570 | 9619 | 49 | Lime | | | | |
| 9619 | 9915 | 296 | Lime & Shale | | | | |

ROSWELL GEOLOGICAL SOCIETY SYMPOSIUM

Author: Symposium Committee Field Name: Flying M (San Andres)
 Affiliation: Roswell Geological Society Location: T-9-S, R-33-E
 Date: November 1966 County & State: Lea County, New Mexico

Discovery Well: Coastal States Gas Producing Company #1 Skelly State
 SE/4 NW/4 Section 21, T-9-S, R-33-E

Exploration Method Leading to Discovery: Seismic & subsurface data

Pay Zone:

Formation Name: San Andres Depth & Datum Discovery Well: 4550 (-175)
 Lithology Description: Gray to gray-tan to brown, finely crystalline dolomite, with interstitial and solution porosity; anhydritic and algal-oolitic in part; some evidence of fracturing is present. Porosity zones are thin streaks within the gross pay interval.
 Approximate average pay: 100 gross 15 net Productive Area 3000 acres

Type Trap: Stratigraphic, with secondary solution porosity and fractures; Loses porosity and permeability updip and produces water downdip.

Reservoir Data:

12.9 % Porosity, 7.5 Md Permeability, 25 % Sw, ? % So

Oil: Average gravity 19.3° API

Gas:

Water: 91,940 Na, 2800 K, 760 Ca, 146,000 Mg, 2,850 Cl, 488 SO₄, 11 CO₂, or HCO₃, 11 Fe, all in mg./liter
 Specific Gravity 1.11 Resistivity .047 ohms @ 75 °F

Initial Field Pressure: 1466 psi @ 4550 (-175) datum Reservoir Temp. 106 °F

Type of Drive: Weak gas expansion

Normal Completion Practices: Set casing through pay, perforate and stimulate with small acid and large oil-frac or water-frac treatment. Perforation density is 2 SPF but will vary with operators.

Type completion: Pumping

Normal Well Spacing 80 Acres

Deepest Horizon Penetrated & Depth: Mississippian limestone 11,820 (-7447)

Other Producing Formations in Field: Abo Bough "C"
 8600 (-4220) 9050 (-4670)

Production Data:

| YEAR | TYPE | No. of wells @ yr. end | | PRODUCTION OIL IN BARRELS GAS IN MMCF | | YEAR | TYPE | No. of wells @ yr. end | | PRODUCTION OIL IN BARRELS GAS IN MMCF | |
|-------|------|------------------------|--------------|---------------------------------------|------------|------|------|------------------------|--------------|---------------------------------------|------------|
| | | Prod. | S.I. or Abd. | ANNUAL | CUMULATIVE | | | Prod. | S.I. or Abd. | ANNUAL | CUMULATIVE |
| 1964 | OIL | 27 | | 179,831 | | | OIL | | | | |
| | GAS | | | 6,250 | | | GAS | | | | |
| 1965 | OIL | 35 | | 524,809 | 704,640 | | OIL | | | | |
| | GAS | | | 137,164 | 143,414 | | GAS | | | | |
| *1966 | OIL | 39 | | 304,658 | 1,009,298 | | OIL | | | | |
| | GAS | | | 138,545 | 281,959 | | GAS | | | | |
| | OIL | | | | | | OIL | | | | |
| | GAS | | | | | | GAS | | | | |

* Production to 9/1/66.