

DATE IN 11/8/99	SUPPENSE 11/23/99	ENGINEER MA	LOGGED KW	TYPE SWD
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ABOVE THIS LINE FOR DIVISION USE ONLY

760

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

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

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

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

NOV - 8 1999

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

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

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

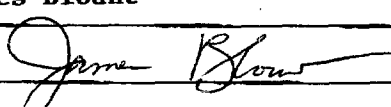
James Blount
Print or Type Name

James Blount
Signature

Sr. Operations Engineer
Title

11/5/99
Date

APPLICATION FOR AUTHORIZATION TO INJECT

- ✓ I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- ✓ II. OPERATOR: Concho Resources Inc.
ADDRESS: 110 W. Louisiana Ste 410; Midland, Tx 79701
CONTACT PARTY: Jim Blount PHONE: 915-683-7443
- ✓ 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 X 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 geologic data on the injection zone including appropriate lithologic detail, geologic 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 sources 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 sources 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: James Blount TITLE: Sr. Operations Engineer
SIGNATURE:  DATE: 11/5/99
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

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 the 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, 2040 South Pacheco, Santa Fe, New Mexico 87505, within 15 days.

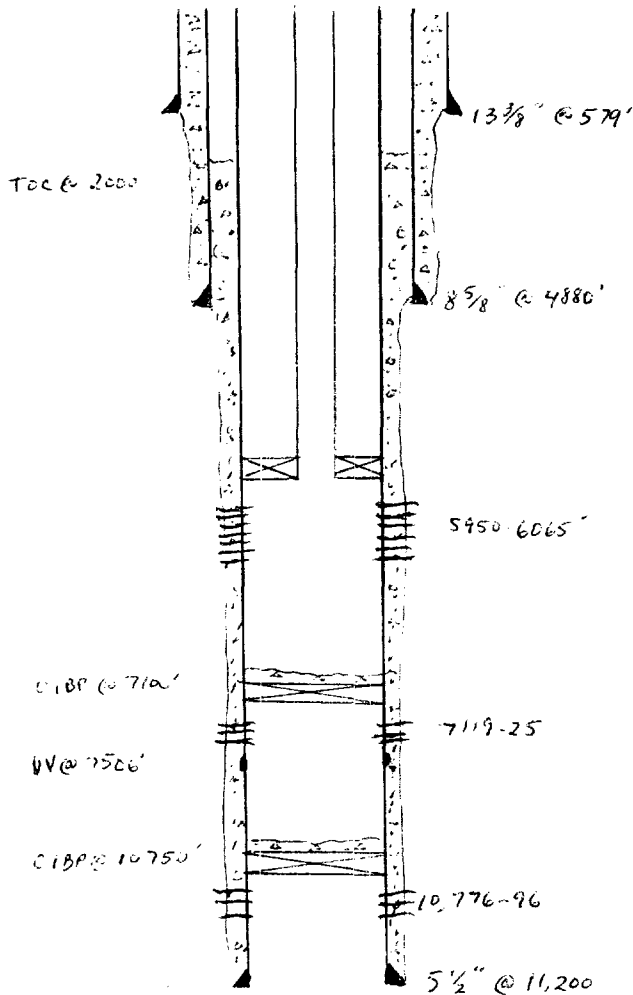
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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.

INJECTION WELL DATA SHEET

OPERATOR		LEASE		
Concho Resources		Diamondtail '23' Federal		
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP	RANGE
#2	1980' FNL & 660' FEL	23	23S	32E

Schematic



Tabular Data

Surface Casing

Size 13 3/8 " Cemented with 500 sx.
 TOC surface feet determined by circulation
 Hole size 17 1/2"

Intermediate Casing

Size 8 5/8 " Cemented with 2285 sx.
 TOC surface feet determined by circulation
 Hole size 12 1/4 "

Long string

Size 5 1/2 " Cemented with 1430 sx.
 TOC 2000 feet determined by calculation
 Hole size 7 7/8 "
 Total depth 11,200'

Injection interval

5950 feet to 6065 feet
 (perforated or open-hole, indicate which)

ILLEGIBLE

Tubing size 2 7/8" lined with plastic coating set in a
5 1/2" IPC Lok-set packer at 5900 feet

Other Data

- Name of the injection formation Delaware Cherry Canyon
- Name of Field or Pool (if applicable) _____
- Is this a new well drilled for injection? ☐ Yes ☒ No
 If no, for what purpose was the well originally drilled? Bone Spring oil producer
- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used 10,776-96' plugged w/CIBP @ 10,750 w/35' of cmt. 7119-25' plugged w/CIBP @ 7100' w/35' of cmt.
- Give the depth to and name of any overlying and/or underlying oil and gas zones (pools) in this area.
DELAWARE BRUSHY CANYON 7800'

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a
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

October 31

1999

and ending with the issue dated

October 31

1999

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 1st day of

November

1999

Jodi Benson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

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

LEGAL NOTICE
OCTOBER 31, 1999
NOTICE OF INTENT TO
INJECT PRODUCED
WATER

CONCHO RESOURCES INC.
110 W. LOUISIANA,
SUITE 410
MIDLAND, TX 79701

Contact Person:
Terri Stathem, Production
Analyst (915) 683-7443

The purpose is to inject pro-
duced water into the Dela-
ware Cherry Canyon forma-
tion at an interval of 5950-
6065' in Concho Resources
Inc.'s Diamondtail '23' Federal
No. 2 well.

The well is located 1980' FNL
& 660' FEL, Sec. 23, T-23S,
R-32E, Lea County, New
Mexico.

The maximum injection rate
expected is 2500 BWPD.

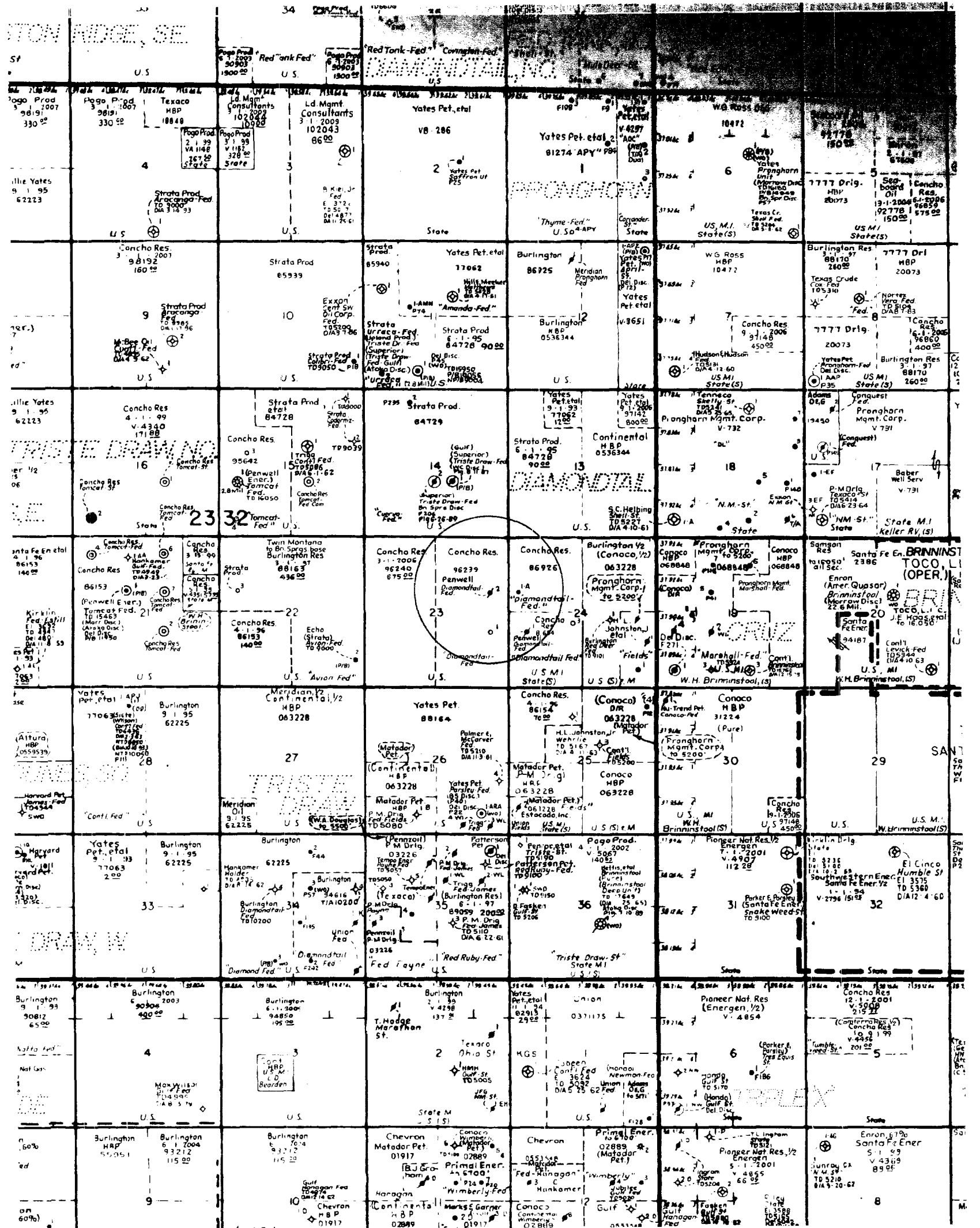
The maximum injection pres-
sure expected 2500 psi.

All interest parties must file
objections or requests for
hearing with the Oil Conser-
vation Division, 2040 South
Pacheco St., Santa Fe, New
Mexico 87505 within 15 days.
#1695Z

ILLEGIBLE

01104894000 01536920

Concho Resources Inc.
110 W. Louisiana, Suite 410
MIDLAND, TX 79701



Wells in Area of Review
Application for Authorization to Inject
Concho Resources, Inc.

Diamondtail 24A Fed #1

Location: 1980' FNL & 330' FWL

Type: Oil

Sec 24, T23S, R32E

Date Drilled: 9/96

Total Depth: 10,300'

Casing Record:

Size	Depth	Sacks Cement
13 3/8"	565'	550 <i>LR</i>
8 5/8"	4840'	1820 "
5 1/2"	10,300'	880

Completion:

10/96	Perforated 10,052-82'.
10/96	Frac'ed well w/94,000# 20/40 sand. Put well on pump.
5/97	Perforated 8560-74'. Frac'ed w/39,540# 20/40 sand. Put on pump.

Diamondtail 24 Fed #1

Location: 1980' FSL & 660' FWL

Type: Oil

Sec 24, T23S, R32E

Date Drilled: 4/96

Total Depth: 10,300'

Casing Record:

Size	Depth	Sacks Cement
13 3/8"	618'	650 <i>LR</i>
8 5/8"	4785'	1750 "
5 1/2"	10,300'	2040

Completion:

4/96	Perforated 10,029-82'.
5/96	Frac'ed well w/66,000# 20/40 sand. Put well on pump.
6/96	Perforated 8994-9030'. Frac'ed w/88,500# 20/40 sand. Put on pump.
8/96	Perforated 8247-53'. Frac'ed w/16,000# 16/30 sand. Put on pump.
8/96	Squeezed perfs @ 8247-53' w/75 sx cmt
8/96	Reopened 8994-10,082' & put on pump.

Application for Authorization to Inject
Concho Resources, Inc.

VII. Proposed Operation

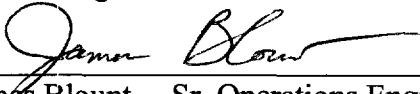
1. Proposed average daily rate is 1500 BWPD with a maximum of 2500 BWPD @ an injection rate of 3000 BPD.
2. The SWD will be a closed system.
3. The average injection pressure is expected to be 1000 psi with a max of 2500 psi.
4. The injection water will be from the Delaware Brushy Canyon. An analysis is attached.

VIII. Geologic Data

Injection zone is a sandstone in the Delaware Cherry Canyon from 5950-6065'. The top of the Cherry Canyon is 5805'.

The lowest freshwater source in the area is the Ogalala at 600'.

- IX. A 2000 gal acid break down is the only stimulation anticipated.
- X. Well logs have been previously filed.
- XI. A chemical analysis is attached from a water well located in Sec
- XII. I have examined available geologic and engineering data and find no evidence of open faults or hydrologic connection between the proposed Delaware injection interval and any underground sources of drinking water.


James Blount Sr. Operations Engineer

- XIII. Attached are the published notice in the Hobbs American and Notice of Receipt from offset operators.

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

November 5, 1999

Strata Production Company
700 Petroleum Building
P O Box 1030
Roswell, NM 88202-1030

Gentleman:

Diamondtail '23' Federal No. 2
Sec. 23, T-23S, R-32E, Lea County, NM

Concho Resources Inc., as operator of the Diamondtail '23' Federal No. 2 well in Lea County, New Mexico, has requested administrative approval from the New Mexico Oil Conservation Division to convert this well to salt water disposal. A copy of the request is enclosed for your records. We are serving this notice to your company, as Operator of a well adjacent to the captioned well.

Should you object to this request, please file objections or requests for hearing with the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505, within 15 days of receiving this notice.

Should you have any questions, please call me at (915) 683-7443.

Sincerely,



Jim Blount
Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NMNM96239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Diamondtail '23' Federal #2

9. API Well No.
30025-33653

10. Field and Pool, or Exploratory Area
DELAWARE BRUSHY CANYON

11. County or Parish, State
Lea
EDDY, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

CONCHO RESOURCES INC.

3. Address and Telephone No.

110 W. LOUISIANA STE 410; MIDLAND, TX 79701 (915) 683-7443

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 660' FEL, SEC. 23, T-23S, R-32E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

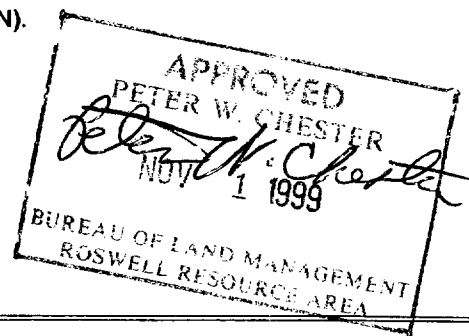
CONCHO RESOURCES INC. RESPECTFULLY REQUESTS APPROVAL TO CONVERT THE ABOVE FEDERAL WELL TO A WATER DISPOSAL WELL.

THIS WELL WAS ORIGINALLY DRILLED AS A PRODUCER IN THE BONE SPRING FORMATION W/ PERFS @ 10776-96'. THE WELL PRODUCED 20 B0, 30 BW PER DAY @ COMPLETION.

CONCHO RESOURCES INC. HAS PROPOSED AN ATTEMPT TO PLUG BACK THIS WELL FROM THE BONE SPRING TO PRODUCE FROM THE DELAWARE FORMATION (SEE SUNDRY DATED 10/26/99). IF THIS IS NOT A SUCCESSFUL PLUGBACK CONCHO RESOURCES INC REQUESTS APPROVAL TO CONVERT THE WELL TO WATER DISPOSAL ACCORDING TO THE FOLLOWING PROCEDURE:

1. RIH W/ CIBP & SET @ 7100' W/ 35 SX CMT. (ABANDONING THE DELAWARE FORMATION).
2. PERF W/ 4 SPF @ 5954-6012 & 6046-64 (304 SHOTS).
3. ACIDIZE W/ 4000 GALS 7-1/2% NEFE.
4. PERFORM INJECTION TEST.
5. RUN PKR & 2-7/8" IPC TBG. CIRC PKR FLUID & SET PKR @ 5900'.
6. CONNECT INJECTION EQUIPMENT.

SUBJECT TO LIKE
APPROVAL BY STATE
NMCCD



14. I hereby certify that the foregoing is true and correct

Signed

Title PRODUCTION ANALYST

Date 10/28/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any: