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ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

Т	HIS CHECKLIST IS N		EAPPLICATIONS FOR EXCEPTIONS TO DIVISION RUSSING AT THE DIVISION LEVEL IN SANTA FE	-1, 12 -			
Appli	cation Acronym	is:		3:10			
	[DHC-Dow	mhole Commingling] [CTB-L col Commingling] [OLS - Off [WFX-Waterflood Expansion] [SWD-Salt Water Dispos	andard Proration Unit] [SD-Simultaneous Lease Commingling] [PLC-Pool/Lease Commingling] [PLC-Pool/Lease Commingling] [OLM-Off-Lease Meas [PMX-Pressure Maintenance Expansional] [IPI-Injection Pressure Increase] Certification] [PPR-Positive Production	Commingling] urement] en]			
[1]	TYPE OF AI	PPLICATION - Check Those Location - Spacing Unit - Si NSL NSP	multaneous Dedication	-Sus -Reliant			
	Check [B]	COne Only for [B] or [C] Commingling - Storage - Me DHC CTB					
	[C]		re Increase - Enhanced Oil Recovery SWD	30-021-2006			
	[D]	Other: Specify					
[2]	NOTIFICATION REQUIRED TO: - Check Those Which Apply, or □ Does Not Apply [A] □ Working, Royalty or Overriding Royalty Interest Owners						
	[B]	☑ Offset Operators, Lease	holders or Surface Owner				
	[C]	Application is One Whi	ch Requires Published Legal Notice				
	[D]	Notification and/or Con	current Approval by BLM or SLO Commissioner of Public Lands, State Land Office				
	[E]	For all of the above, Pro	oof of Notification or Publication is Attache	ed, and/or,			
	[F]	Waivers are Attached					
[3]	SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.						
	al is accurate a	nd complete to the best of my	e information submitted with this application knowledge. I also understand that no action itions are submitted to the Division.				
	Note	Statement must be completed by a	n individual with managerial and/or supervisory c	apacity.			
Print o	r Type Name	Signature	Title	Date			
AUL	C. THOMBON	Paul C. Thomps-	ALON / ENCHER	1/31/14			
.176		Tan C. Tay	e-mail Address PAUL @ WALSHENG, N	-			
			PAUL @ WALSHENG, N	ET			

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? Yes No							
II.	OPERATOR:Reliant Holdings, LTD							
	ADDRESS:10817 W. CR 60, Midland, TX 79707							
	CONTACT PARTY: _Vance VanderburgPHONE: 432-617-4213							
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:							
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, 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: PAUL C. THOMPSON, P.E. TITLE: AGENT / ENGINEER							
	NAME: PAUL C. THOMPSON, P.E. TITLE: AGENT / ENGINEER SIGNATURE: Paul C. Thomps — DATE: 1/31/14							
*	E-MAIL ADDRESS: PAUL @ WALSHENG, NET 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:							

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, 1220 South St. Francis Dr., 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.

Reliant Holdings, LTD

Hayoz #1 Injection Well

C 108 Data Sheet

- V. See Attached Map
- VI. See Attached Tabulation Sheet
- VII. Operation Data
 - A. Average Daily Injection Rate = 350 bbls
 Maximum Daily Injection Rate = 700 bbls
 - B. Proposed Volume 1,277,500 bbls
 - 2. The system is open (water will be trucked to the facility).
 - 3. Proposed Pressures
 - Average and maximum injection pressures will be determined from a step rate test run after the stimulation.
 - Source of Injection Fluid: Tubb formation water from surrounding wells. Please see the
 attached water analysis. The Glorieta formation is dry so there should be no compatibility
 issues in the injection zone.
 - The Glorieta was swabbed dry so a water sample is not available. There is no indication from the State Engineers website that there any water wells drilled to the Glorieta formation.

VIII. Geology

The Glorieta Sandstone is the shallowest Permian age sandstone of significant thickness. The sand is usually a white to pink fine- to medium-grained slightly gypsiferous unconsolidated sand. There are no known domestic water wells within the area of interest. There is one well listed on the on website of the Office of the State Engineer which is 920 meters away in the SE/4 of Section 12, T19N, R30E but no depth to ground water is listed. The depth of the well is reported as 250'. A water analysis of the proposed injection water is attached. This analysis indicates that the Tubb Formation water has a TDS of approximately 48,800 ppm.

- IX. Operator plans to stimulate the Glorieta with a yet to be determined amount of HCl acid and ball sealers.
- Well logs are on file with the NMOCD.
- XI. Analysis of the Tubbs Formation Water is attached

- The relatively impermeable San Andres Limestone overlies the Glorieta Sandstone. According to a report prepared by the USGS, which studied the potential of brine contamination from Glorieta Sandstone injection wells into shallower aquifers, there was no evidence of any cross flow from any of the many Glorieta SWD wells in the Texas and Oklahoma panhandle area. (1.)
- XIII. See attached certified mail receipts.

(1.) Geologic Information on the Glorieta Sandstone and the Ogallala Formation in the Oklahoma Panhandle and Adjoining Areas as Related to Underground Waste Disposal, James H. Irwin and Robert B. Morton, Geological Survey Circular 630, 1969 & 1978.

INJECTION WELL DATA SHEET

OPERATOR:Reliant Holdings, LTD										
WELL NAME & NUMBER:Hayoz #1										
WELL LOCATION: _	_1980 FNL & 1980 FWL FOOTAGE LOCATION U	F NIT LETTER	12 SECTION		30ERANGE					
<u>WELL.</u>	BORE SCHEMATIC		WELL CONSTRUCTION DATA Surface Casing							
12 4" HOLE 2 78 EIBERGLASS	98, X = 167	Hole Size:12-1/2" Cemented with:250 Top of Cement:S	sx.	or	ft³					
TUBING 8 4 HALE	PACKER @ ~1500' 1555 GLORIETA PERFS 1200'=1820 CIBP + ON CUP 4'2', 11.6* CEMENTED TO SURFACE	Hole Size:NA	sx. sx.	orMethod Determined	ftftftft					
PBTD ~ Z240 X	ZO93 / TUBB PERFS ZIGI / Comented WXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Top of Cement:Sur Total Depth:Approx. No TUBE (Pe	Injection:							