

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [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
- [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, 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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kristin Hodge Kristin Hodge Regulatory Analyst \_\_\_\_\_  
 Print or Type Name Signature Title Date  
Kristin.Hodge@meritenergy.com  
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: X Secondary Recovery        Pressure Maintenance        Disposal        Storage  
Application qualifies for administrative approval? X Yes        No
- II. OPERATOR: Mexit Energy Company  
ADDRESS: 13727 Noel Rd. Ste 500 Dallas, TX 75240  
CONTACT PARTY: Sustin Findley PHONE: 972-628-1493
- 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? X 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 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: Kristin Hadley TITLE: Regulatory Analyst  
SIGNATURE: Kristin Hadley DATE:         
E-MAIL ADDRESS:
- \* 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.

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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.

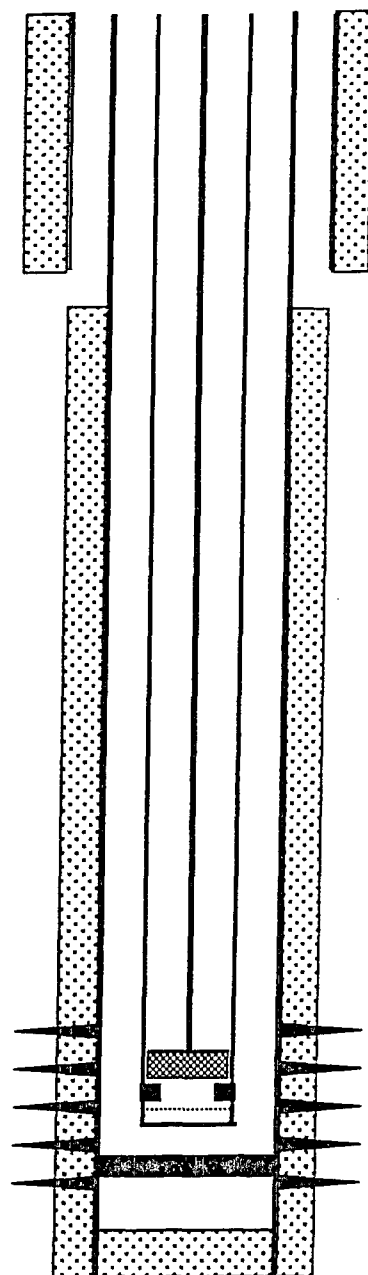
### Attachment III

#### Well Data

- A. (1) J.L Keel B 57  
1,980' FNL & 580' FEL  
Section 8, T-17-S R-31-E  
Eddy, New Mexico
- (2) Casing Data: Also see well bore schematic  
Surface: 8 5/8" set @ 424' in a 12 1/4" hole, cmt. with 500sx to surf, determined by CBL  
Producing: 5 1/2" set @ 3,983' in a 7 7/8" hole, cmt with 1325sx to 480', determined by CBL  
Liners: None
- (3) Tubing: 2 7/8", 6.5#, J-55, 8rd EUE set @ 3,526'
- (4) Packer: None
- B. (1) Original Purpose of well: The well was originally drilled, completed ( 05/02/1995) and tested as a producer from perforations 3,029' - 3,899' (oil)
- (2) Injection Interval: The injection interval is to be from 3,029' - 3,899'
- (3) Injection Formation: the injection formation will be the Grayburg to the Jackson from 3,029' - 3,899'
- (4) Higher/Lower Oil Zones: There are no other completed zones in this well.

# MERIT ENERGY COMPANY WELLBORE SCHEMATIC

WELL NAME: J.L. KEEL "B" #57			FIELD: GRAYBURG-JACKSON			
LOCATION: 1980' FSL & 580' FEL, SEC 8-T17S-R31E			COUNTY: EDDY			STATE: NM
ELEVATION: GL=3824'; KB=3838			SPUD DATE: 01/08/95		COMP DATE: 05/02/95	
API#: 30-015-28079		PREPARED BY: JUSTIN E. FINDLEY			DATE: 06/14/2008	
	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 424'	8 5/8"	24#	J-55	ST&C	12 1/4"
CASING:	0' - 3983'	5 1/2"	15.5#	J-55	LT&C	7 7/8"
CASING:						
TUBING:	0' - 3526'	2 7/8"	6.5#	J-55	8 RD	
TUBING:						



☒ CURRENT

☐ PROPOSED

OPERATOR: MERIT ENERGY COMPANY

8 5/8" CASING @ 424' W/500 SXS. TOC @ SURFACE.

## DETAIL OF PERFORATIONS

GRAYBURG: 3029'

U.GRAYBURG: 3054', 57', 66', 80', 82'

M.GRAYBURG: 3099'

LOCO HILLS: 3132', 34'

L.GRAYBURG: 3208', 14', 25', 52', 54'

PREMIER: 3268', 73', 80', 85', 92'

VACUUM: 3336', 54', 74', 80', 92', 3411'

LOVINGTON: 3424', 26', 32', 34', 36', 47', 56'

U.JACKSON: 3487', 97'

M.JACKSON: 3586', 93', 3606', 21', 24', 37', 45', 70', 79', 96', 3702', 13', 25', 31'

L.JACKSON: 3741', 47', 52', 69', 73', 3849', 64', 76', 89', 97', 99'

PERFORATIONS: 3029'- 3899'(OA) - 59 HOLES

SEAT NIPPLE @ 3490'

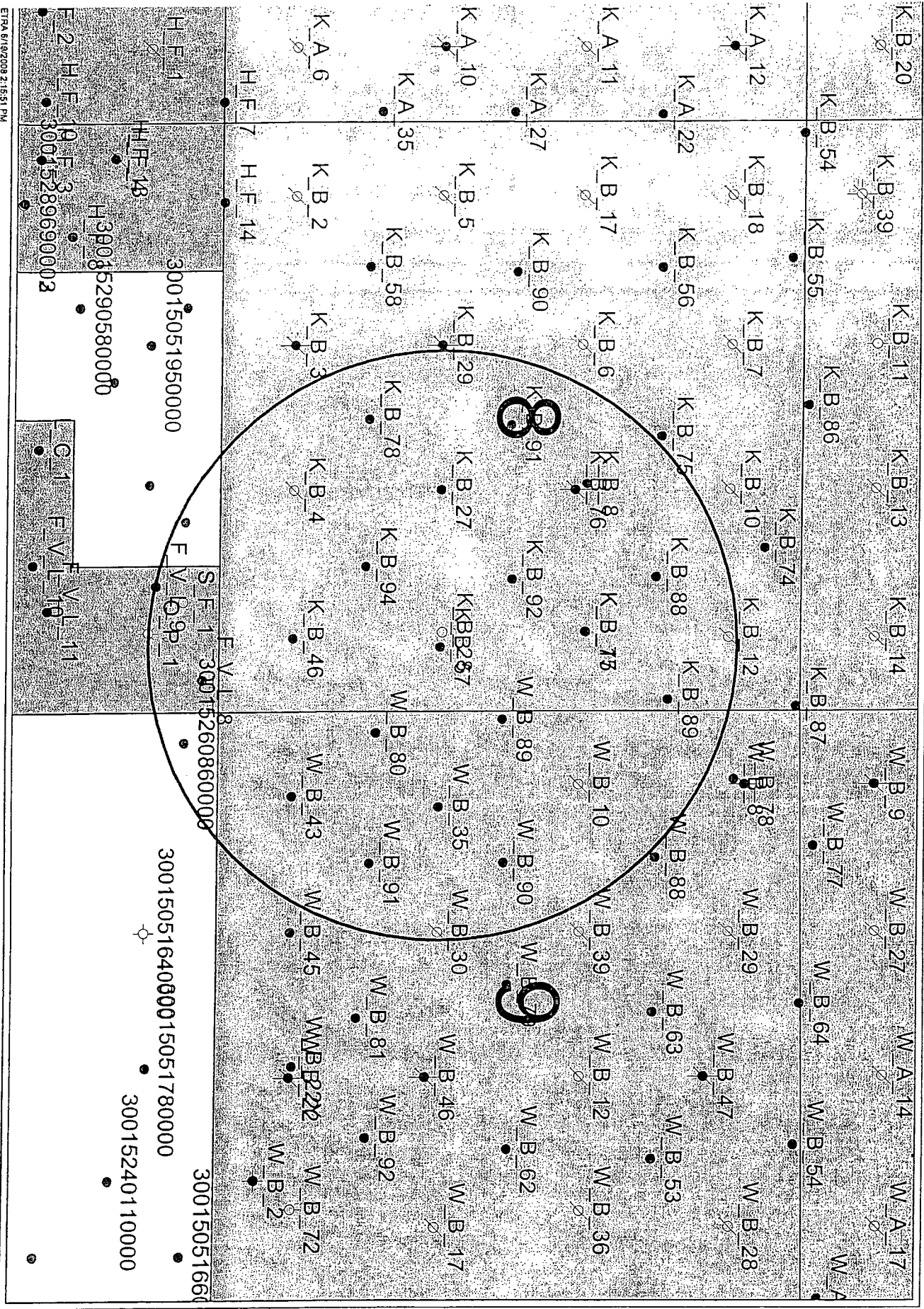
CIBP @ 3568', CAPPED WITH 10' CEMENT

PBTD @ 3966'

5 1/2" CASING @ 3983' W/1325 SXS. TOC @ 480' (CBL)

TD @ 3985'

# Attachment VI



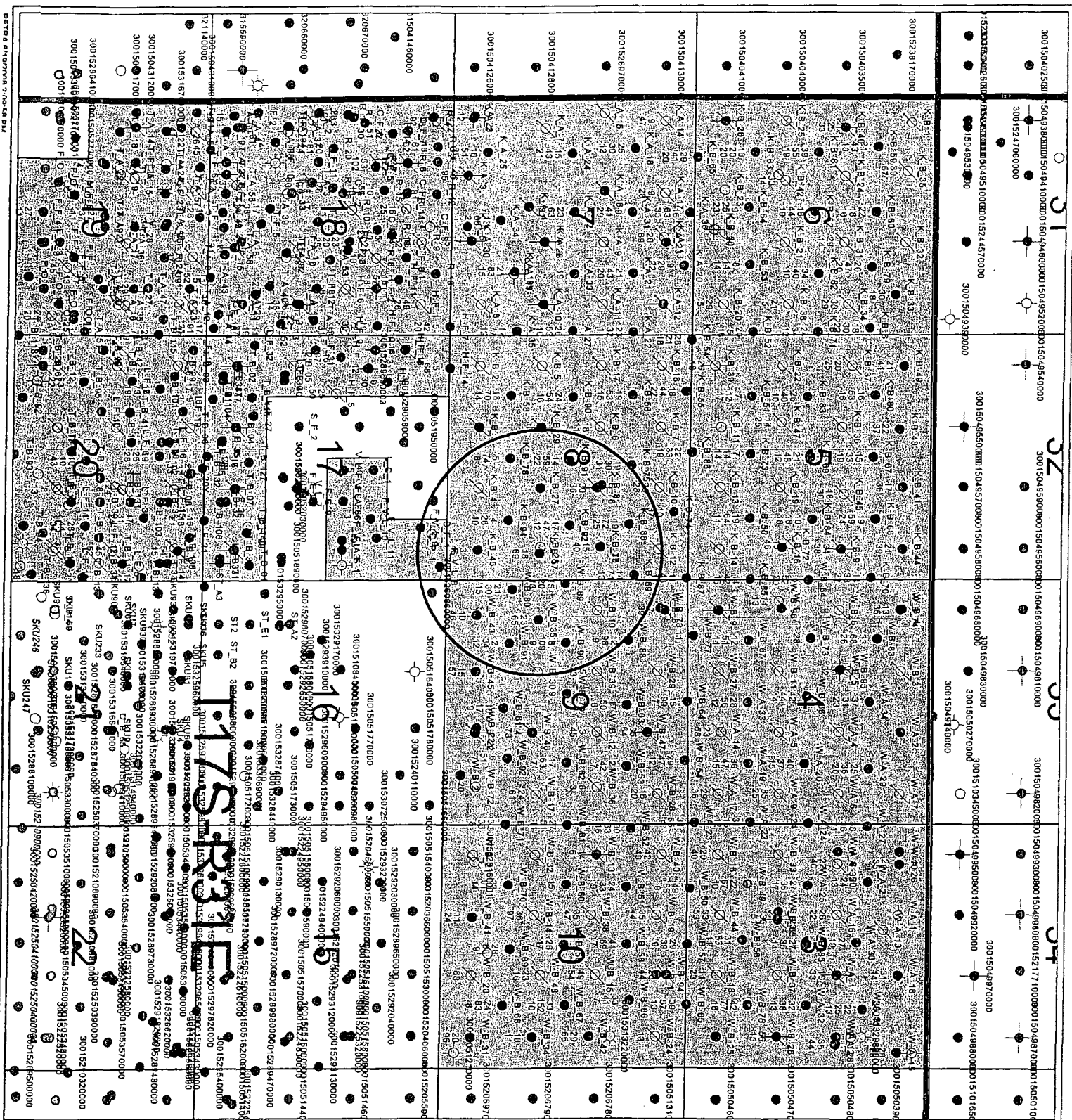
Ment Energy Company  
 Grayburg Jackson Field  
 KB 57 with 1/2 Mile Radius  
 By: Arthur Beecherl  
 June 19, 2008

[illegible]

By: Arthur Beecher  
June 19, 2008



Attachment  
VII



Ment Energy Company  
Grayburg Jackson Field  
KB 57 with 112 Mile Radius  
All wells with 2 miles  
1450  
FEET  
By: Arthur Beechert  
June 19, 2008



J.L. Keel B 57

Attachment VI

<u>Well Name</u>	<u>Location</u>	<u>Spud Date</u>	<u>Completion Date</u>	<u>Type of Well</u>	<u>Depth</u>	<u>Completion Record</u>	<u>Current</u>
H.E. West B 10	1980' FNL & 660' FWL Sec 9, T-17-S; R-31-E	2/23/1953	4/9/1953	Injection	3,623'	8 5/8" @ 642' w/ 100sx TOC 480' 7" @ 3,097' w/ 200sx TOC 1700' 2 1/2" @ 3,300' Perfs @ 3,204' - 3,313'	8 5/8" @ 642' w/ 100sx 7" @ 3,097' w/ 200sx 4 1/2" @ 3,010' 4 1/2" @ 3,612' 2 3/8" @ 2,978' Cmt retainer @ 3,599' Perfs @ 3,085' - 3,588'
H.E. West B 30	1980' FSL & 1980' FWL Sec 9, T-17-S; R-31-E	1/19/1966	2/30/1966	Injection	5,952'	8 5/8" @ 552' w/ 300sx TOC surf 4 1/2" @ 3,952' w/ 470sx TOC 1824' 2 2/8" @ 3,120' Perfs @ 3,176' - 3,879' CIBP @ 3810' & 3815' Perfs @ 3,394' - 3,472'	8 5/8" @ 552' w/ 300sx TOC surf 4 1/2" @ 3,952' w/ 470sx TOC 1824' 2 2/8" @ 3,120' Perfs @ 3,176' - 3,879' CIBP @ 3810' & 3815'
H.E. West B 35	1980' FSL & 860' FWL Sec 9, T-17-S; R-31-E	10/5/1988	11/10/1988	Oil	3,815'	8 5/8" @ 460' w/ 400sx TOC surf 5 1/2" @ 3,815' w/ 300sx TOC surf Cmt retainer @ 3,721' Perfs @ 3,791' - 3,212'	8 5/8" @ 460' w/ 400sx 5 1/2" @ 3,815' w/ 300sx 2 7/8" @ 3,680' Cmt retainer @ 3,721' Perfs @ 3,212' - 3,707'
H.E. West B 43	660' FSL & 760' FWL Sec 9, T-17-S; R-31-E	1/20/1989	3/4/1989	Oil	3,831'	8 5/8" @ 417' w/ 512sx TOC Surf 5 1/2" @ 3,831' w/ 1250sx TOC Surf 2 3/8" @ 3,687' Perfs 3,141' - 3,673'	8 5/8" @ 417' w/ 512sx TOC Surf 5 1/2" @ 3,831' w/ 1250sx TOC Surf 2 3/8" @ 3,687' Perfs 3,141' - 3,673'
H.E. West B 80	1410' FSL & 193' FWL Sec 9, T-17-S; R-31-E	11/25/1995	1/12/1996	Oil	4,305'	8 5/8" @ 539' w/ 380sx TOC surf 5 1/2" @ 4,304' w/ 1090sx TOC surf 2 7/8" @ 3,747' Perfs @ 3,017' - 3,676'	8 5/8" @ 539' w/ 380sx 5 1/2" @ 4,304' w/ 1090sx 2 7/8" @ 3,747' Perfs @ 3,017' - 3,678'
H.E. West B 89	2552' FSL & 75' FWL Sec 9, T-17-S; R-31-E	7/24/1995	9/27/1995	Oil	4,270'	8 5/8" @ 513' w/ 450sx TOC surf 5 1/2" @ 4,269' w/ 1300sx TOC 2 7/8" @ 4,161' Perfs @ 3,123' - 4,099'	8 5/8" @ 513' w/ 450sx 5 1/2" @ 4,269' w/ 1300sx 2 7/8" @ 4,161' Perfs @ 3,123' - 4,099'

H.E. West B 90	2570' FSL & 1356' FWL Sec 9 T-17-S; R-31-E	11/18/1995	1/8/1996 Oil	4,335'	8 5/8" @ 567' w/ 380sx TOC surf 5 1/2" @ 4,352' w/ 1260sx TOC surf 2 7/8" @ 3,941' Perfs @ 3,160' - 3,892'	8 5/8" @ 567' w/ 380sx 5 1/2" @ 4,352' w/ 1260sx 2 7/8" @ 3,941' Perfs @ 3,160' - 3,892'
H.E. West B 91	1365' FSL & 1360' FWL Sec 9 T-17-S; R-31-E	12/2/1995	1/12/1996 Oil	4,350'	8 5/8" @ 476' w/ 380sx TOC surf 5 1/2" @ 4,349' w/ 1100sx TOC surf 2 7/8" @ 3,908' Perfs @ 3,143' - 3,845'	8 5/8" @ 476' w/ 380sx TOC surf 5 1/2" @ 4,349' w/ 1100sx TOC surf 2 7/8" @ 3,908' Perfs @ 3,143' - 3,845'
J.L. Keel B 4	660' FSL & 1980' FEL' Sec 8, T-17-S; R-31-E	2/8/1945	5/16/1945	3,730'	8 5/8" @ 541' w/ 60sx TOC 260' calc 7" @ 2,897' w/ 100sx TOC 2090' calc 4 1/2" @ 2,818' - 3,728' w/ 104sx 2 3/8" @ 2,927' Perfs @ 2,978' - 3,492' CIBP @ 3,515'	8 5/8" @ 541' w/ 60sx TOC 260' calc 7" @ 2,897' w/ 100sx TOC 2090' calc 4 1/2" @ 2,818' - 3,728' w/ 104sx 2 3/8" @ 2,927' Perfs @ 2,978' - 3,492' CIBP @ 3,515'
J.L. Keel B 8	1980' FNL & 1980' FEL' Sec 8, T-17-S; R-31-E	5/25/1951	7/7/1951 6/9/1983 P&A	3,400'	10 3/4" @ 596' w/ 100sx 7" @ 2,945 w/ 200sx 4 1/2" @ 2,750' - 3,400' w/ 250sx	Cmt plg @ 0' - 580' Cmt plg @ 1,280' - 1,486' Top of cmt plg @ 2,650' Cmt retainer @ 2,985' pump 100sx below & cap w/ 35sx
J.L. Keel B 27	1980' FSL & 1980' FEL Sec 8, T-17-S; R-31-E	10/3/1964	11/9/1964 Oil	3,737'	8 5/8" @ 560' w/ 370sx TOC surf 5 1/2" @ 3,725' w/ 325sx TOC 1240' 2 7/8" @ 3,479' Perfs @ 3,064' - 3,724'	8 5/8" @ 560' w/ 370sx TOC surf 5 1/2" @ 3,725' w/ 325sx TOC 1240' 2 7/8" @ 3,637' Perfs @ 2,952' - 3,724'

J.L. Keel B 28	1980' FSL & 660' FEL Sec 8, T-17-S, R-31-E	10/23/1964	11/10/1964	P&A	8/30/1997	3,800'	8 5/8" @ 550' w/ 225sx TOC surf 4 1/2" @ 597' - 3,800' w/ 360sx TOC 2 2/20'	Cmt retainer @ 482' pump 500sx below cap w/ 130sx Spot cmt plg @ 998' w/ 300sx Spot cmt plg @ 1,250' w/ 300sx
J.L. Keel B 46	660' FSL & 660' FEL Sec 8, T-17-S, R-31-E	4/23/1989	5/31/1989	Oil		3,751'	8 5/8" @ 387' w/ 300sx TOC surf 5 1/2" @ 3,751' w/ 1700sx TOC surf 2 7/8" @ 3,569' Perfs @ 3,050' - 3,674'	8 5/8" @ 387' w/ 300sx 5 1/2" @ 3,751' w/ 1700sx 2 7/8" @ 3,569' Perfs @ 3,050' - 3,674'
J.L. Keel B 57	1980' FSL & 580' FEL Sec 8, T-17-S, R-31-E	1/8/1995	2/5/1995	Oil		3,985'	8 5/8" @ 424' w/ 500sx TOC surf 5 1/2" @ 3,983' w/ 1325sx TOC 480' 2 7/8" @ 3,526' Perfs @ 3,029' - 3,899' CIBP @ 3,568' set above perf @ 3,586'	8 5/8" @ 424' w/ 500sx TOC surf 5 1/2" @ 3,983' w/ 1325sx TOC 480' 2 7/8" @ 3,526' Perfs @ 3,029' - 3,899' CIBP @ 3,568' set above perf @
J.L. Keel B 76	3020' FNL & 1980' FEL Sec 8, T-17-S, R-31-E	3/24/1995	8/12/1995	Injection		3,907'	8 5/8" @ 470' w/ 350sx TOC surf 5 1/2" @ 3,906' w/ 1250sx TOC surf 2 7/8" @ 3,818' Perfs @ 3,079' - 3,748'	8 5/8" @ 470' w/ 350sx TOC surf 5 1/2" @ 3,906' w/ 1250sx TOC surf 2 7/8" @ 3,818' Perfs @ 3,079' - 3,748' CIBP @ 3,612' set above perf @
J.L. Keel B 77	1930' FNL & 714' FEL Sec 8, T-17-S, R-31-E	8/2/1995	8/23/1995	Oil		4,000'	8 5/8" @ 532' w/ 380sx TOC surf 5 1/2" @ 3,999' w/ 2000 sx TOC surf 2 7/8" @ 3,897' Perfs @ 3,091' - 3,820'	8 5/8" @ 532' w/ 380sx 5 1/2" @ 3,999' w/ 2000 sx 2 7/8" @ 3,934' Perfs @ 3,091' - 3,820'
J.L. Keel B 78	1330' FNL & 2616' FEL Sec 8, T-17-S, R-31-E	6/27/1995	7/22/1995	Oil		4,155'	8 5/8" @ 426' w/ 350sx TOC surf 5 1/2" @ 4,154' w/ 1450sx TOC surf 2 7/8" @ 3,872' Perfs @ 2,902 - 9,791'	8 5/8" @ 426' w/ 350sx TOC surf 5 1/2" @ 4,154' w/ 1450sx TOC surf 2 7/8" @ 3,872' Perfs @ 2,902 - 9,791'

J.L. Keel B 88	1310' FNL & 1200' FEL Sec 8, T-17-S; R-31-E	7/18/1995	9/3/1995 Oil	4,240'	8 5/8" @ 440' w/ 490sx TOC surf 5 1/2" @ 4,239' w/ 1800 sx TOC surf 2 7/8" @ 4,048' Perfs @ 3,128' - 3,991'	8 5/8" @ 440' w/ 490sx 5 1/2" @ 4,239' w/ 1800 sx 2 7/8" @ 4,017' Perfs @ 3,128' - 3,991'
J.L. Keel B 89	1194' FNL & 100' FEL Sec 8, T-17-S; R-31-E	8/11/1995	9/27/1995 Oil	4,290'	8 5/8" @ 519' w/ 500sx TOC surf 5 1/2" @ 4,289' w/ 1540sx TOC surf 2 7/8" @ 4,127' Perfs @ 3,177' - 4,033'	8 5/8" @ 519' w/ 500sx 5 1/2" @ 4,289' w/ 1540 sx 2 7/8" @ 4,064' Perfs @ 3,177' - 4,033'
J.L. Keel B 91	2664' FSL & 2562' FEL Sec 8, T-17-S; R-31-E	5/15/1995	6/22/1995 Oil	4,069'	8 5/8" @ 466' w/ 500sx TOC surf 5 1/2" @ 4,068' w/ 1075sx TOC surf 2 7/8" @ 3,984' Perfs @ 2,969' - 3,964'	8 5/8" @ 466' w/ 500sx TOC surf 5 1/2" @ 4,068' w/ 1075sx TOC surf 2 7/8" @ 3,984' Perfs @ 2,969' - 3,964'
J.L. Keel B 92	2630' FSL & 1182' FEL Sec 8, T-17-S; R-31-E	7/15/1995	8/11/1995 Oil	4,265'	8 5/8" @ 478' w/ 350sx TOC surf 5 1/2" @ 4,164' w/ 1300 sx TOC 185' 2 7/8" @ 4,103' Perfs @ 3,041' - 3,972'	8 5/8" @ 478' w/ 350sx 5 1/2" @ 4,164' w/ 1300 sx 2 7/8" @ 4,037' Perfs @ 3,041' - 3,972'
J.L. Keel B 94	1309' FSL & 1299' FEL Sec 8, T-17-S; R-31-E	7/6/1995	7/29/1995 Oil	4,220'	8 5/8" @ 468' w/ 350sx TOC surf 5 1/2" @ 4,219' w/ 2050 sx TOC 100' 2 7/8" @ 3,987' Perfs @ 2,975' - 3,878'	8 5/8" @ 468' w/ 350sx 5 1/2" @ 4,219' w/ 2050 sx 2 7/8" @ 3,987' Perfs @ 2,975' - 3,878'
V.L. Foster 8	255' FNL & 330' FEL Sec. 17; T-17-S; R-31-E	8/15/1997	8/28/1997 Oil	3,834'	8 5/8" @ 483' w/ 500sx TOC surf 5 1/2" @ 3,833' w/ 1075sx TOC surf 2 7/8" @ 3,668' Perfs @ 2,968' - 3,601'	8 5/8" @ 483' w/ 500sx TOC surf 5 1/2" @ 3,833' w/ 1075sx TOC surf 2 7/8" @ 3,668' Perfs @ 2,968' - 3,601'
V.L. Foster 9	600' FNL & 990' FEL Sec. 17; T-17-S; R-31-E	8/22/1997	10/10/1997 Oil	3,768'	8 5/8" @ 477' w/ 375sx TOC surf 5 1/2" @ 3,813' w/ 1475sx TOC surf 2 7/8" @ 2,931' Perfs @ 2,933' - 3,580'	8 5/8" @ 477' w/ 375sx TOC surf 5 1/2" @ 3,813' w/ 1475sx TOC surf 2 7/8" @ 2,931' Perfs @ 2,933' - 3,580'

## Attachment VII

### Proposed Operation

1. Average daily injection rate: 200 BWPD  
Maximum daily injection rate: 400 BWPD
2. Type of system: Open
3. Average injection pressure: 1,900 psi  
Maximum injection pressure: 2,100 psi
4. Source of injection water: Re-injection the wells produced water
5. N/A

### Attachment VIII

Lithology – Dolomite

Geologic Name – Grayburg Jackson, ( Loco Hills, Metex, Lower Grayburg, Premier, Vacuum, Lovington, Upper Jackson, Middle Jackson, Lower Jackson

Thickness – Gross footage 870'

Depth – 3,029' – 3,899'

Water Information – N/A

### Attachment IX

Please see attached stimulation program.

### Attachment X

Included in this packet is a copy of a scanned Neutron Log.

### Attachment XI

There is no fresh water around this area.

### Attachment XII

This is not an application for a disposal well, so no affirmative statement is needed.



**Date:** April 28, 2008  
**Well:** Keel B #57  
**API:** 30-015-28079  
**Field:** Grayburg-Jackson  
**Location:** 1980'FNL & 580'FEL, SEC 8-T17S-R31E  
Eddy County, NM  
**Formation:** Grayburg-Jackson  
**Elevation:** GL = 3,824'  
KB = 3,838'  
PBSD = 3,568' (+ 10' of cement)  
TD = 3,985'  
**Engineer:** Justin Findley

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**Subject:** Injection Conversion

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**CURRENT WELLBORE:**

Tubing: 2-7/8" 6.5# J-55 EUE 8rd 0' - 3,526'  
Casing: 5-1/2" 15.5# J-55 LT&C 0 - 3,983' cemented w/1325 sx. **TOC@480'** (CBL)  
8-5/8" 24# J-55 ST&C 0 - 424'  
SN: 3,490'  
CIBP: 3,568' (capped w/10' of cement)  
Perforations: Current gross interval (3,091' - 3,497')  
See well-bore schematic for details.

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**Procedure**

1. MIRU pulling unit. POOH w/rods and pump. NU BOP with 2-7/8" pipe rams on top.
2. Tag PBSD and strap out.
3. MIRU wireline unit. RIH w/CCL and log 3000' to 4000' and correlate with **Schlumberger C.E.L. (dated 4/1995)**
4. TIH w/3.125" slick gun (38.87" penetration, 0.40" entry hole, 90 degree phasing) and perforate the following zones at the specified shot density:

4 SPF 3,054' - 3,056'  
4 SPF 3,129' - 3,135'  
4 SPF 3,166' - 3,171'  
4 SPF 3,224' - 3,226'  
4 SPF 3,252' - 3,255'  
4 SPF 3,424' - 3,426'  
4 SPF 3,432' - 3,435'

**(381' Gross, 23' Net, 120 shots)**

5. POOH, record any fluid level change and guns for misfires. RDMO wireline unit.
6. Pick up 5-1/2" Baker AD-1 packer on 2-3/8" IPC tubing, TIH while hydro-testing. Set packer at +/- 2,960' (69' above top perf). Load and pressure test annulus to 500 psig. Pick up swabbing tools, swab for entry and monitor fluid levels while swabbing back. RD swabbing tools.
7. MIRU acid company and rig up. Pressure test and hold 500# on annulus with pump truck. Pressure test lines to 3000 psig with maximum treating pressure established 2,500 psig.
8. Establish injection rate and pressure into perforated interval from 3,029' to 3,497' with 2% KCl followed by 3,000 gallons of solvent that is 90% by volume 15% HCL and 10% by volume toluene along with 3,000# of rock salt to divert. .

15% HCL	2700 gal
Toluene	300 gal
Clay Stabilizer	
ACI-166	3.75 gal
NE-116	7.5 gal
NE-122	7.5 gal
FE Reducer	14.75 gal
Rock Salt	3,000 lbs

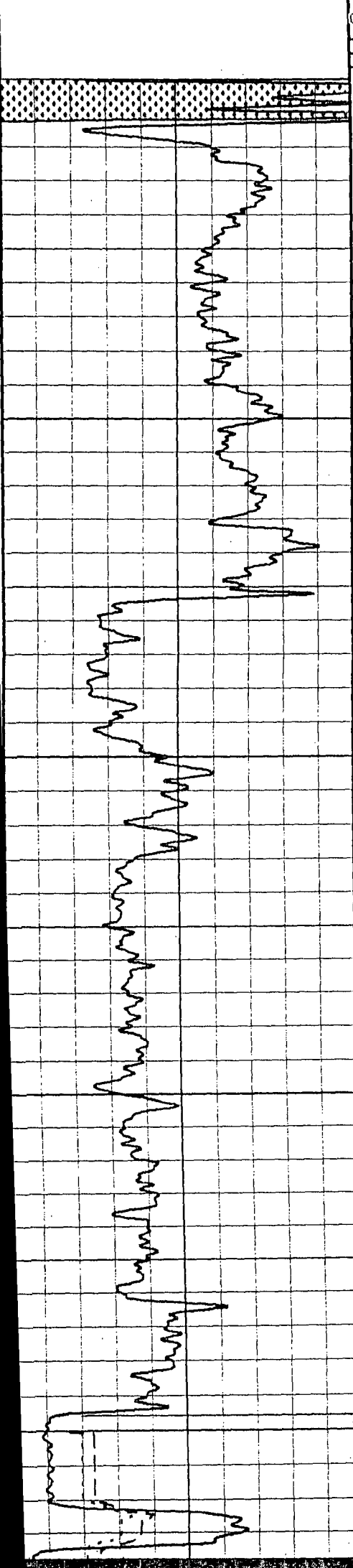
9. RDMO treating company.
10. Turn well to injection.

**Contacts**

Operations Manager:	David Hertel	(806) 229-6300 - Office
Foreman:	Jackey Williams	(806) 789-5718 - Cell
Region Manager:	Cruz Abila	(972) 628-1552 - Office
Ops. Engineer:	Justin Findley	(972) 628-1493 / (214) 577-9784

0	GR	100
100	GR-0	200
6	C13	16
16	C13-0	26
6	C24	16
16	C24-0	26

CVOL  
 1000  
 100  
 10



30	CNC ( % )
70	CNC-0
2	ZDEN ( G/CC )
-0.1	ZCOR ( G/CC )

KB 57

100

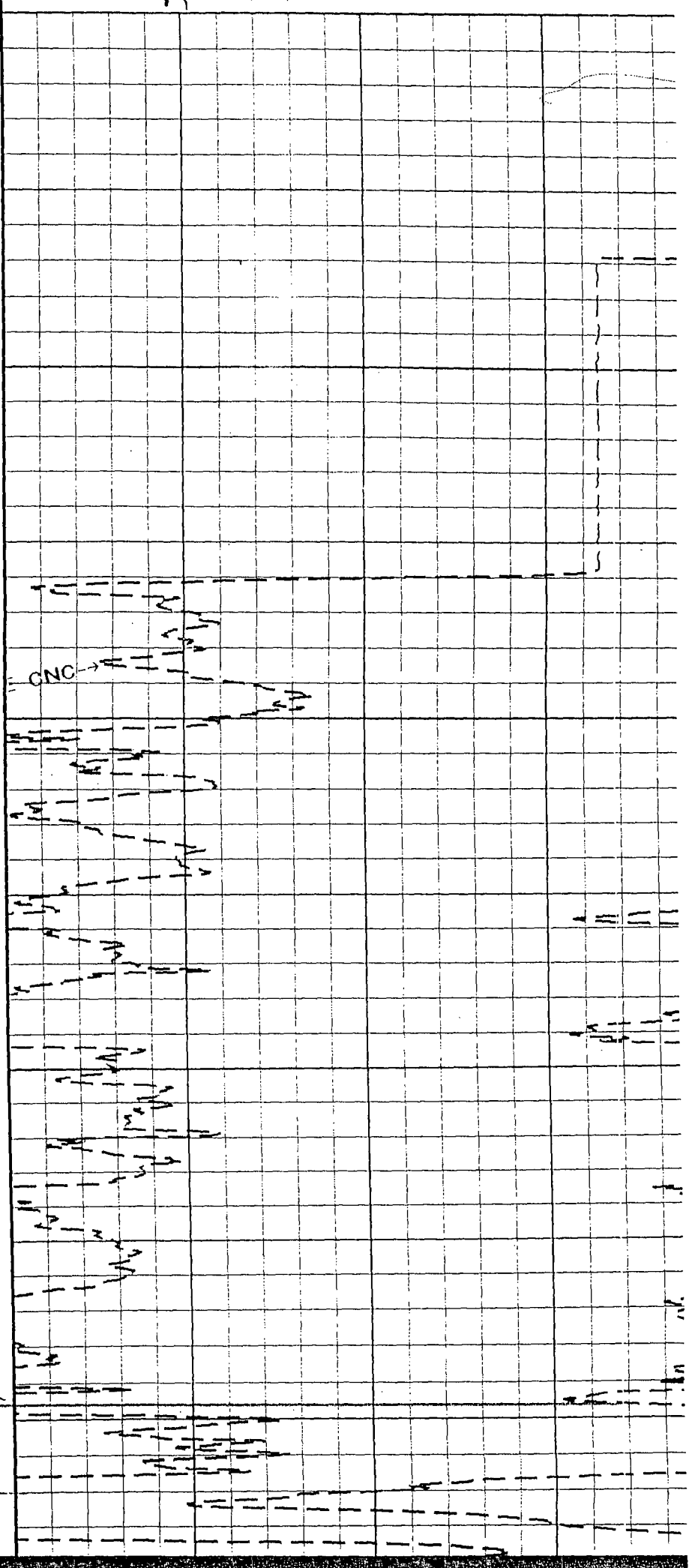
200

300

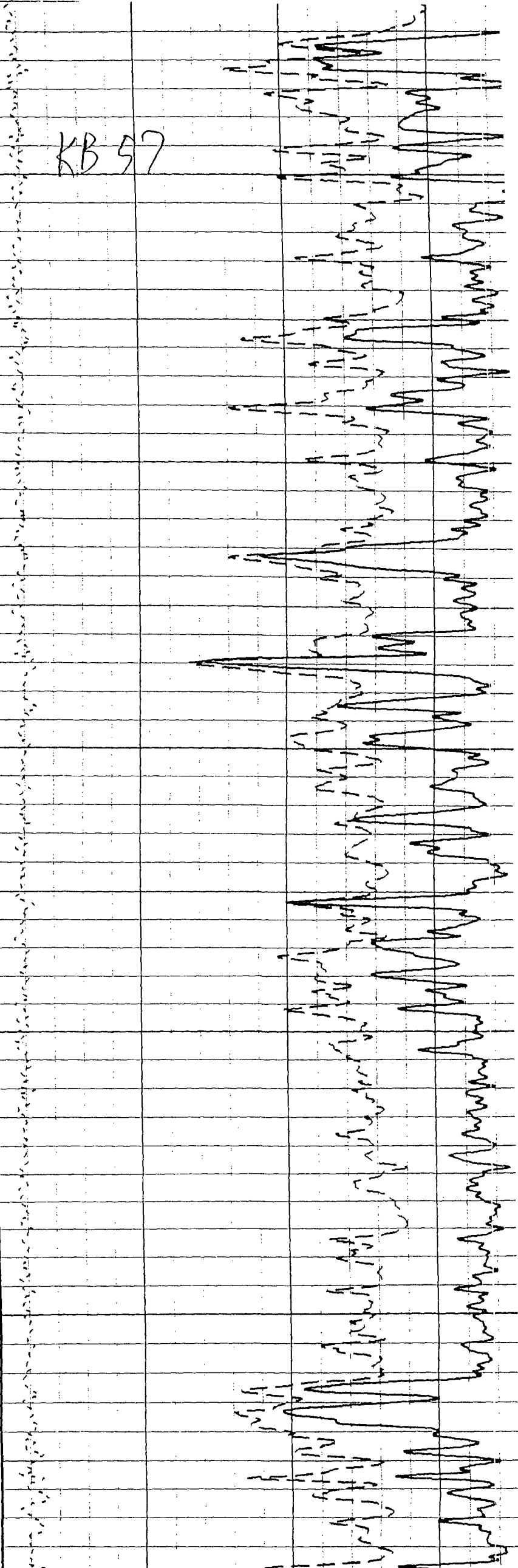
RUSTLER

400  
 396

CSG



KB 97



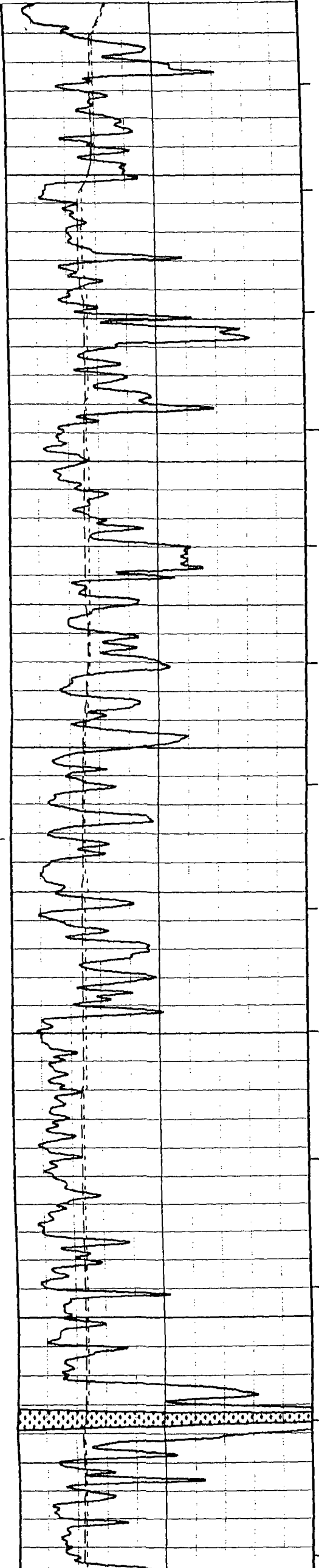
3000

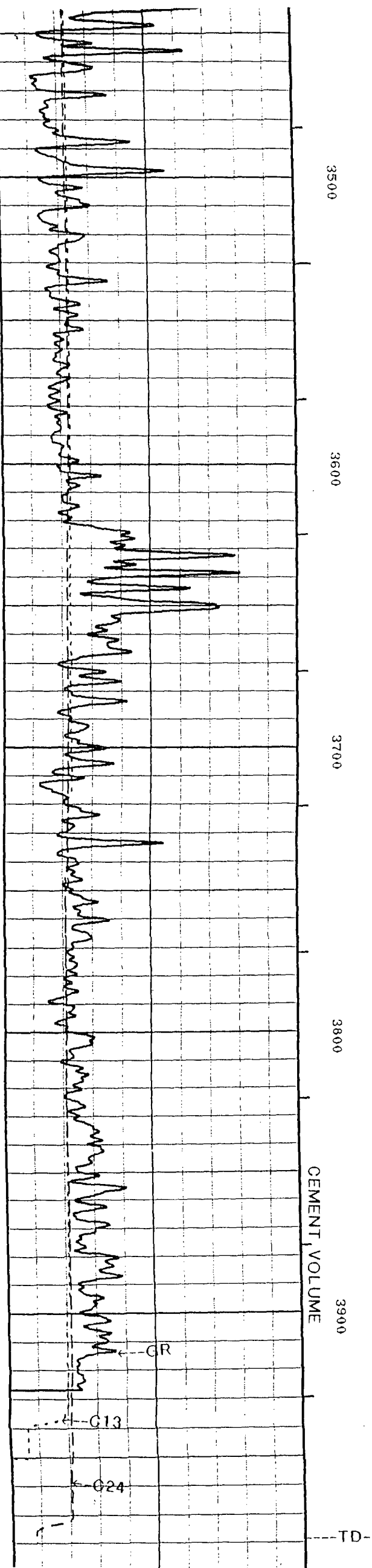
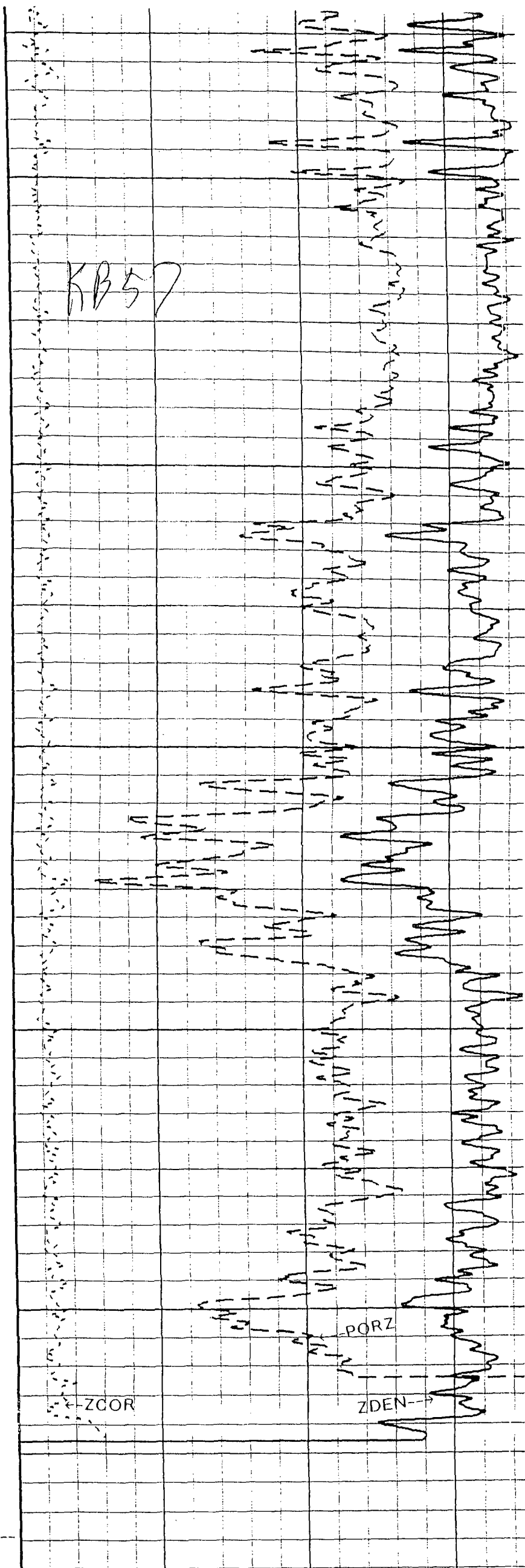
3100

3200

3300

3400





### Attachment XIII

#### Proof of Notice

Merit Energy Company is the operator of all wells within the area of review. The Bureau of Land Management is the surface owner. They have been notified by BLM Sundry Notice (3160-5).

#### Proof of Publication

Please see the following page.