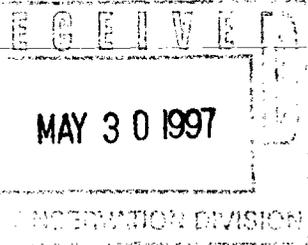


**Nearburg Exploration Company, L.L.C.**

Exploration and Production  
3300 North "A" Street  
Building 2 Suite 120  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7906



May 27, 1997

CERTIFIED MAIL -RETURN RECEIPT REQUESTED

Mr. Larry Kehoe (Fax 505-827-4739)  
Mr. Joe Lopez  
Ms. Jamie Bailey  
New Mexico State Land Office  
P. O. Box 1148  
Santa Fe, New Mexico 87504

Mr. Ben Stone (Fax 505-827-1389)  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**FAXED & MAILED**

Re: Acreage Nomination for July SLO Sale  
Section 30, T-19-S, R-26-E  
Eddy County, New Mexico  
Application of Odessa Oil Investments, Inc.  
Fanning Prospect

Gentlemen:

The captioned Section 30, T-19-S, R-26-E, Eddy County, New Mexico became available for SLO nomination March 1, 1997, with the expiration of State Lease 3962. Nearburg Exploration Company, L.L.C. (NEC) hereby nominates said acreage for the upcoming July SLO sale on a competitive oral bid basis. Please keep our nomination confidential.

This acreage is also the subject of the filing before the OCD of an application by Odessa Oil Investments, Inc. for a salt water disposal well utilizing the Monzanto Lakewood State well located 1980' FNL and 1980' FWL of said Section 30. It has always been my understanding that a company owning an oil and gas lease has a preferential right to any wellbores located on the acreage under lease for the production of oil and/or gas. I therefore request that the application of Odessa Oil Investments, Inc. be denied until such time as the acreage can be leased pursuant to the State Land Office regulations and a waiver of use of the wellbore obtained from the then lessee. Mr. Lopez of the Santa Fe SLO office has informed us that no salt water disposal easement application has been approved in connection with the use of this wellbore.

The permit filed by Odessa Oil Investments, Inc. appears to be technically incomplete. The application does not provide 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 analysis of injection fluids and compatibility with receiving formation or 5) a chemical analysis of the water in the disposal formation. In addition, a portion of Article VIII of the application has not been complied with.

We believe the application should be rejected and that the acreage be made available at the July SLO sale. A re-filing of the application after the July sale is appropriate for any party interested in using the wellbore.

If you have any questions please feel free to contact the undersigned.

Yours very truly,

  
Bob Shelton  
Land Manager

BS/sc

SWD 5/30/97

Case 11839

MAY 15 1997

**APPLICATION FOR AUTHORIZATION TO INJECT**

I. **PURPOSE:** CONSERVATION DIVISION: Secondary Recovery Pressure Maintenance  Disposal Storage  
Application qualifies for administrative approval? Yes No

II. **OPERATOR:** Odessa Oil Investments, Inc.

**ADDRESS:** 823 Central, Odessa, Texas 79761

**CONTACT PARTY:** Jerry Ricker **PHONE:** (915) 332-6554

III. **WELL DATA:** Complete the data required on the reverse side of this form for each well processed 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 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 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:** Jerry Ricker **TITLE:** Vice-President

**SIGNATURE:** Jerry Ricker **DATE:** May 5, 1997

\* 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 circumstance of the earlier submittal. \_\_\_\_\_

Attached to Form C-108  
 Odessa Oil Investments, Inc.  
 Application for Authorization to Inject

III. WELL DATA

A. 1. Lease Name: None - number  
 Well Name: Jakewood State Com  
 Well Number: 1  
 Section: 30  
 Township: 19 South  
 Range: 26 East  
 Footage: 1980' FWL = FNL  
 County: Eddy

2. See attached diagram for the following data:

Casing depths, cement used, hole size, cement tops, tubing size, type; setting depth; packer type; setting depth.

B. 1. Injection will be in the Devonian formation at  $\pm 10,300'$  -  $10,700'$  (open hole) based on offset SWD well disposal intervals. Actual interval may differ somewhat.

2. The existing P-Ad wellbore will be cleaned out and deepened from the original TD of  $9725'$  to  $\pm 10,700'$ . Seven inch production casing is planned to be set at  $\pm 10300'$ .

3. Originally, this well was drilled to test the Morrow formation. Because the Morrow formation was deemed unproductive the well was plugged with production casing near the surface.

# ILLEGIBLE

4. The closest potentially hydrocarbon production zone in this well bore to the Devonian is the Morrow. There is no known lower productive formation.

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

V. See attached map showing 1 mile  $\pm$  1/4 mile radius (or 2 mile  $\pm$  1/2 mile areas).

VI. Three wells were drilled to the Devonian formation within the review area.

1. Conoco Monsanto Foster SWD #1

660' FNL  $\pm$  FWL, Section 5, T20S, R25E

Eddy County, NM

Well Type: SWD

Spud Date: 2/13/65

P $\pm$ A Date: 9/5/65

Formation at TD: Mississippian at 9475' (TD)

Reentry:

Reentry Well: Roger Hanks Foster #1

Reentry Date: 1/2/71

Completion Date: 3/31/71

Formation: Devonian peaks at 10220'-10504'

2. Newburg Producing Company Aikman SWD State #1

660' FSL  $\pm$  1980' FWL, Section 27, T19S, R25E

Eddy County, NM

Well Type: SWD

Spud Date: 1/10/74

P $\pm$ A Date: 2/22/74

Formation at TD: Mississippian at 9544' (TD)

# ILLEGIBLE

Reentry:

Reentry Well: Coquina Hickman State Com #1

Reentry Date: 5/10/91

Completion Date: 6/12/91

Formation: Devonian openhole 10205'-10520'

3. Conoco King SWD #1

660' FNL; 1980' FWL, Section 9, T20S, R25E

Eddy County, NM

Well Type: SWD

Spud Date: 9/30/69

P.A. Date: 11/23/69

Formation at TD: Mississippian at 9600'(TD)

Reentry:

Reentry Well: Roger Hankes King SWD #1

Reentry Date: 6/3/76

Completion Date: 5/14/77

Formation: Devonian openhole 10290'-10555'

VII 1:3 Average daily disposal rate 5000 BPD at 800 psi.

Maximum daily disposal rate 12000 BPD at 2000 psi.

2. This will be an open system

4.5. There are several Devonian formation SWD wells in the area that have been in successful operation for several years. These wells, denoted on the attached map, accepting produced water for disposal from several formations including G. lower Rio/Canyon, Atoka, & Strawn. This well is expected to accept water from similar formations.

# ILLEGIBLE

- VIII Lithologic Detail: Dolomite  
 Geologic Name: Devonian  
 Thickness: Expected to be  $\pm 400'$   
 Depth: Top of Devonian expected at  $\pm 10300'$   
 Depth to Bottom of all underground  
 Drinking Water Sources: Between surface and 500' sub-surface  
 Underground Sources of Drinking Water: None
- IX 10,000 gals 20% HCl acid  
X See attached DST data and Scout Ticket data. Logs are on file at the NMDCD Artesia District office.
- XI N/A. No fresh water wells are known to exist within 1 mile of this well as shown on topographic map.
- XII Odessa Oil Investments, Inc. has found no evidence of open faults or any other hydrologic connection between the proposed disposal zone and any source of drinking water based on available geologic and engineering work
- XIII Proof of Notice  
 Surface Owners of the Proposed SWD well:

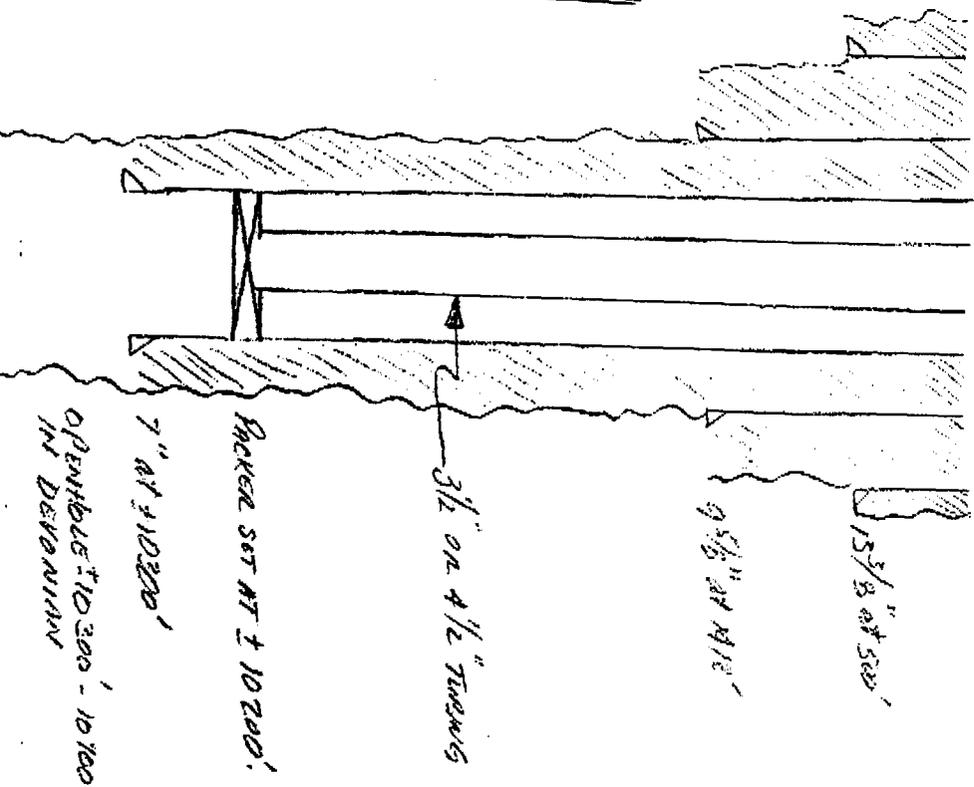
Deerehold Operators within 1/2 mile of this well.

INJECTION WELL DATA SHEET

OPERATOR DEESA OIL INVESTMENTS INC LEASE LANDWOOD STATE CORP

WELL NO. #1 FOOTAGE LOCATION 1980' FWL & 1980' FWL SECTION 30 TOWNSHIP 19S RANGE 26E

Schematic (Proposed) Well Construction Data



Surface Casing

Size 13 3/8" Cemented with 6000 sx

TOC Surface feet determined by Calculation

Hole Size 12 1/4"

Intermediate Casing

Size 9 5/8" Cemented with 7500 sx

TOC Surface feet determined by Calculation

Hole Size 12 1/4"

Long String

Size 7" Cemented with 1600 s

TOC Surface feet determined by Calculation

Hole Size 8 3/4"

Total Depth 10300'

Injection Interval

7 10300 feet to 7 10700 feet (openhole)



COUNTY EDDY, N. M. FIELD WILDCAT (MORROW)  
 OPR MONSANTO CO.  
 LSE LAKEWOOD STATE COM WELL NO. 1  
 LOC Sec. 30, T-19-S, R-26-E (F)  
1980' FNL & 1980' FWL Sec.

UNIQUE NO. 30-015-22233  
 MAPS \_\_\_\_\_ CO-ORD \_\_\_\_\_  
 F. R. 8-10-77 OBJ 9600' RT SPUD 8-9-77  
 CTR KKA LAHEE CLASS \_\_\_\_\_ ELEV D. F. 3436'\*  
 LOGS \_\_\_\_\_ SPLS \_\_\_\_\_ GL \_\_\_\_\_  
 TD 9726' PBD \_\_\_\_\_ ABD LOC. \_\_\_\_\_ P & A 9-26-77  
 PAY ZONE \_\_\_\_\_ PROD INTERVAL \_\_\_\_\_ IP \_\_\_\_\_ BO \_\_\_\_\_ W \_\_\_\_\_ HRS \_\_\_\_\_ CHK \_\_\_\_\_ TEST BASIS \_\_\_\_\_

PLUGGED & ABANDONED							
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GOR	GTY	CP	TP	BHP	POT DATE	TREATMENT

CSG	13-3/8 - 500 - 600
	9-5/8 - 1412 - 750

COUNTY EDDY, N. M. FIELD WILDCAT (MORROW)  
 WELL: MONSANTO #1 LAKEWOOD STATE COM ELEV \_\_\_\_\_

DATE	WELL RECORD	REACHED T. D.	SPL (LOG) MARKERS
	TD 9726', P&A 9-26-77		Grayb (690) San And (1130)
	DST 9390-9726', 1krs failed		Glor (2730)
	DST 9412-9726', Cp 90", R/375' mud, (SC R/25 cc mud), 60"/439, FP		BS (4105) Wolfe (6793)
	277-300, 120"/716, HP 4573-3473		Penn (7530) Cisco (8100)
	(SP) DST 8163-8200', Op 2:30" R/ 7200' sul wfp, 180"/3168, FP 3168- 3168, 120"/3168, HP 3909-3831		Strn (8360) Atoka (9016) Morr (9411)
	(11-2-77)		

The Subsurface Library  
 P. O. Box 2538  
 Midland, Texas

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# ILLEGIBLE

Eddy NW  
30-19-26

Schlumberger		COMPENSATED NEUTRON-FORMATION DENSITY			
COUNTY - WILDCAT FIELD - LAKEWOOD STATE WELL - COMM #1 COMPANY - MOHSANTO CO.	COMPANY MOHSANTO COMPANY				
	CORRECTED COPY				
	WELL LAKEWOOD STATE COMM #1				
	FIELD WILDCAT				
COUNTY EDDY STATE NEW MEXICO					
LOCATION 1980' FNL & 1980' FNL		Other Services: DIL PML			
API SERIAL NO	SEC	TWP	RANGE		
	30	19-S	26-E		
Permanent Datum G.L.		Elev 3422		Elev KB 3436	
Log Measured From K.B.		14 ft Above Perm Datum		DF	
Drilling Measured From K.B.				GI 3422	
Date	9-20-77				
Run No	ONE				
Depth - Driller	9726				
Depth - Logger	9723				
Bit Log Interval	9722				
Top Log Interval	SURF				
Casing - Driller	9 578a 1412	a	a	a	
Casing - Logger	1416				
Bit Size	8 3/4				
Type Fluid in Hole	FRESH MUD				
Dens. Visc	9.1 40				
pH Fluid Loss	9.5 5 mi				
Source of Sample	TANK				
Rm a Meas Temp	4.9 a 87 F	a	F	a	
Rmf a Meas Temp	4.5 a 80 F	a	F	a	
Rmc a Meas Temp	a F	a	F	a	
Source Rmi Rmc	M				
Rm a BHT	2.66 a 160 F	a	F	a	
Circulation Stopped	1500 9-20				
Logger on Bottom	0030 9-21				
Max Rec Temp	160 F		F	F	
Equip Location	7666 HOBBS				
Recorded By	BOROSS				
Witnessed By	HUNTER				

Reproduced By  
 Electrical Log Services,  
 MIDLAND, TEXAS 79701



REFERENCE W 5415Z



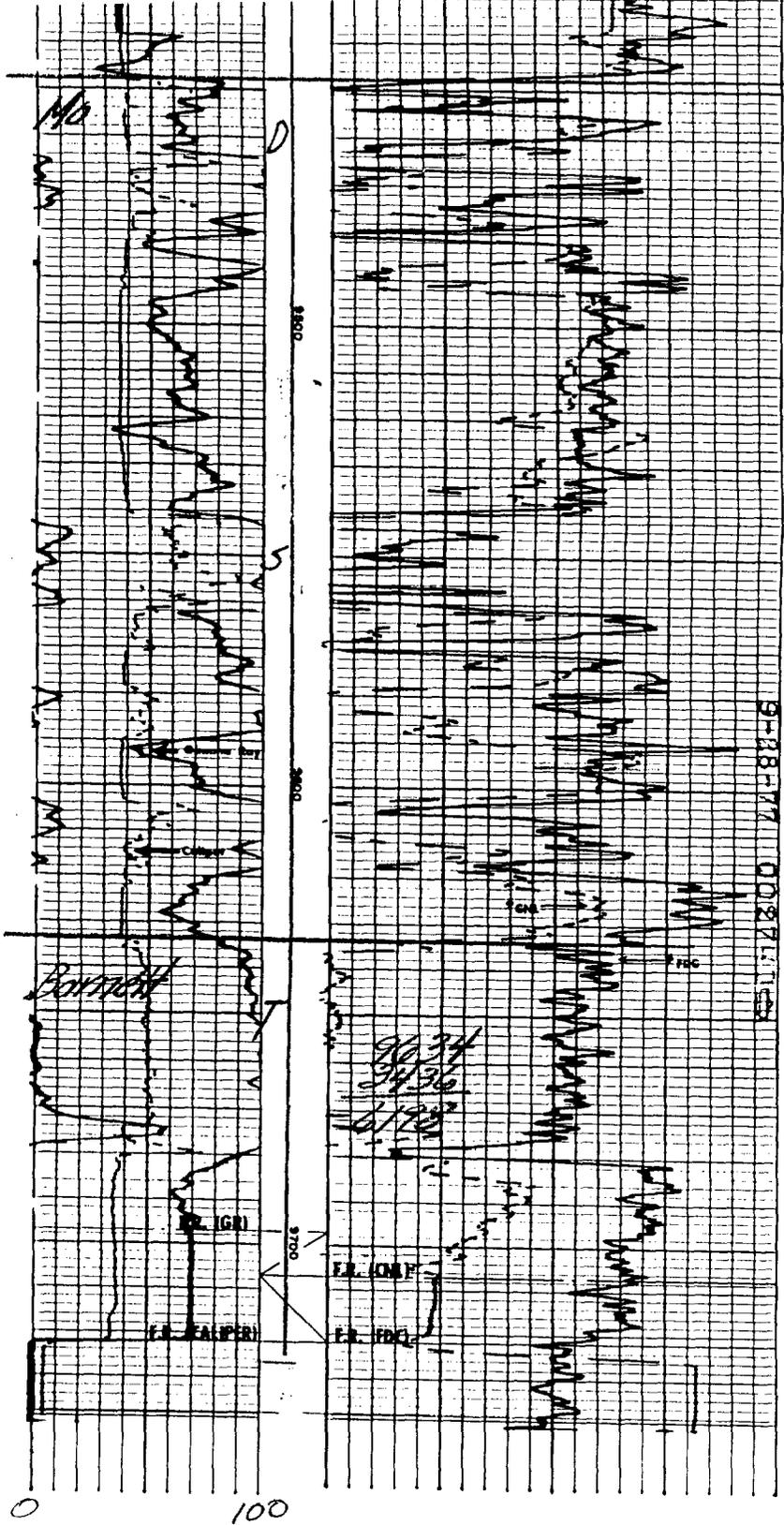
31 COMPLETION RECORD

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9-28-77 00271.123

