

Office
District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural ResourcesForm C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION

2040 South Pacheco St.
Santa Fe, NM 87505

WELL API NO.

30-015-23599

5. Indicate Type of Lease

STATE ☐☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Humidor SWD

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐Gas Well ☒

Other

RECEIVED

2. Name of Operator

Yates Petroleum Corporation

OCT 31 2005

OIL CONSERVATION DIVISION

3. Address of Operator

105 South Fourth Street, Artesia, New Mexico 88210

8. Well No.

3

9. Pool name or Wildcat

Delaware

4. Well Location

Unit Letter: E : 1980' feet from the North line and 960' feet from the West line
Section 14 Township 24S Range 27E NMPM County Eddy

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3165' GL

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐MULTIPLE
COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐PLUG AND
ABANDONMENT ☐CASING TEST AND
CEMENT JOB ☐OTHER: Change of re-entry operations. ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached Page 2, wellbore diagram and SWD Order 982.

SIGNATURE

TITLE

Regulatory Agent

DATE

10/31/05

Type or print name Cy Cowan

Telephone No. (505) 748-1471

APPROVED BY

TITLE

DATE

OCT 31 2005

Conditions of approval, if any:

Operator to comply SWD 982

Cy Cowan

Jim W. Green
District II Supervisor

YATES PETROLEUM CORPORATION

Humidor SWD #3

Drilling Prognosis

Change of Plans

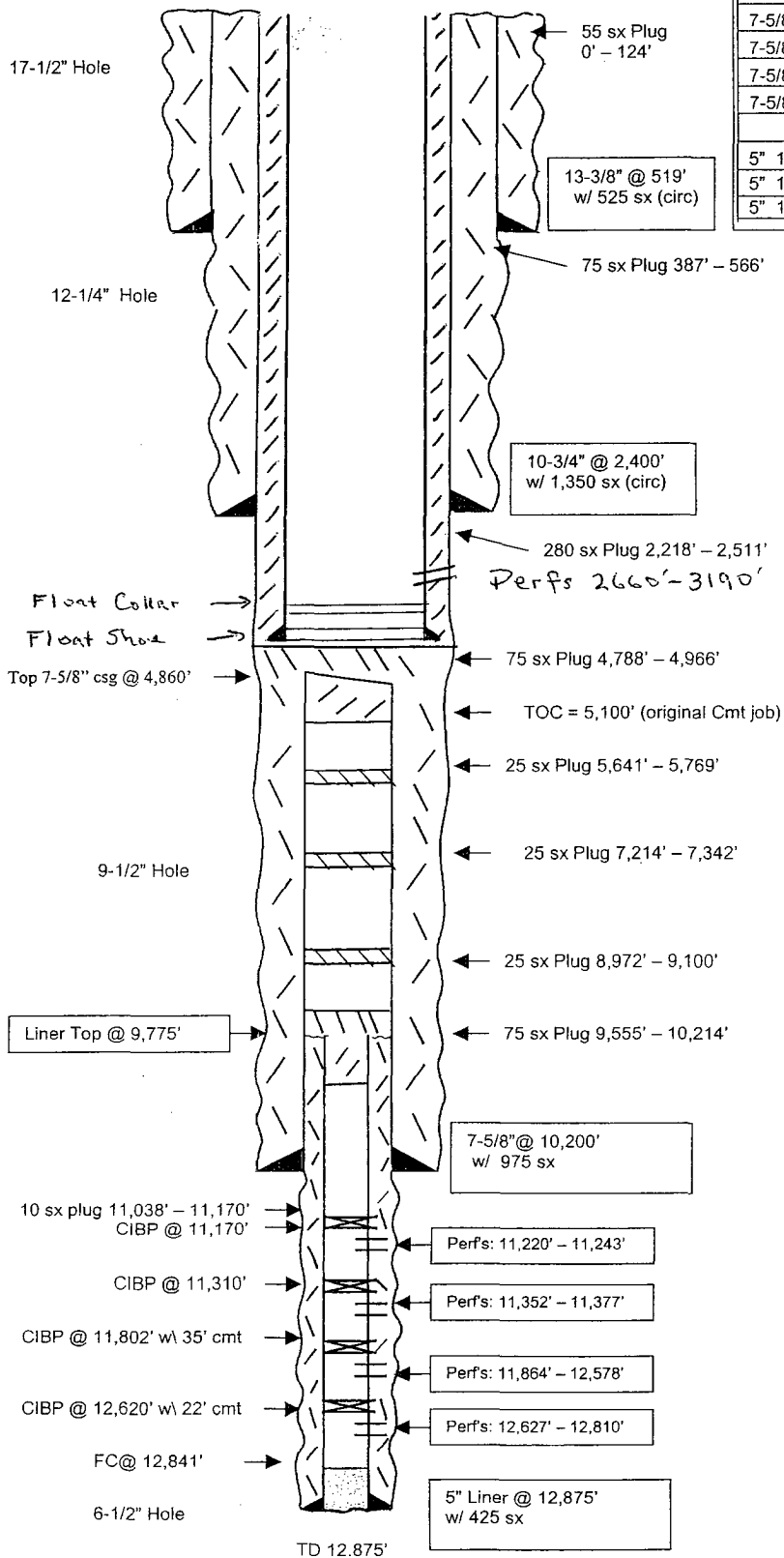
Page 2

Yates Petroleum Corporation proposes drill out plugs and clean out to the 7 5/8" casing stub at 4788'+- as per original proposal approved September 25, 2005. We will **NOT** dress-off and splice onto the 7 5/8" casing stub. Instead will run 7" 23# L-80 casing with float shoe and float collar to the stub plug and cement with 1000 sacks of high strength 13 lb/gal cement with sufficient cement to circulate to the surface. Will return to original plan by running bit and scraper will log with GR/CCL/CBL from PBTB up to 2000' Will complete in the Delaware interval 2660'-3190' for salt water disposal purposes pursuant to NMOCD Order SWD 982 approved June 20, 2005, attached. A nickel-plated packer and plastic coated 3 1/2" 9.3 lb/ft J-55 tubing will be used for injection as originally proposed.

WELL NAME: Humidor SWD No. 3 FIELD: Wildcat Morrow
 LOCATION: Unit Letter E, 1,980' FNL & 960' FWL Sec 14 - T24S - R27E Eddy County New Mexico
 GL: 3,165' ZERO: KB: 3,187'
 SPUD DATE: 01/29/81 COMPLETION DATE: P&A 05/02/89
 COMMENTS: 30-015-23599
WH cut off and Dry hole marker installed 5/2/89
Attachment A part II

CASING PROGRAM

| | |
|----------------------------------|---------|
| 13-3/8" 54.5# K55 ST&C | 519' |
| 10-3/4" 40.5# K55# ST&C | 2400' |
| 7-5/8" csg stub top @ +/- 4,860' | |
| 7-5/8" 26.4# N-80 504' | |
| 7-5/8" 29.7# N80 1,094' | |
| 7-5/8" 26.4# S95 1,602' | |
| 7-5/8" 29.7# S95 2,152' | 10,200' |
| 5" 18# Liner Top = 9,775' | |
| 5" 18# LT&C N-80 2,493.50' | |
| 5" 18# LT&C C-75 606.01' | 12,875' |



AFTER

TOPS:

| | |
|--------------------|---------|
| Castel | 652' |
| Lamar | 2,290' |
| Delaware | 2,339' |
| Bell CN | 2,350' |
| Cherry CN | 3,110' |
| Brushy CN | 4,242' |
| BS | 5,758' |
| 2 nd BS | 7,340' |
| WC | 9,066' |
| Atoka | 11,148' |
| Morrow | 11,776' |

Not To Scale
 4-18-05
 JMH



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

File

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Ray
Sent 7/26/05
DC

ADMINISTRATIVE ORDER SWD-982

APPLICATION OF YATES PETROLEUM CORPORATION FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division on May 10, 2005, for permission to utilize for produced water disposal its Humidor SWD Well No. **3** (API No. 30-015-23599) located 1,980 feet from the North line and 960 feet from the West line of Section 14, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize its Humidor SWD Well No. 1 (API No. 30-015-23599) located 1,980 feet from the North line and 960 feet from the West line of Section 14, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Delaware formation through perforations from 2,660 feet to 3,190 feet and through plastic-lined tubing set with a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to injection, the operator shall:

- 1) Swab test the added perforations in the Delaware, send results of the swab test to the Division, send a water analysis of the water recovered during swabbing to the Division, and estimate the initial reservoir pressure (i.e. from static fluid levels) of the injection interval and send this estimate by letter to the Division (referencing SWD-982).
- 2) Send to the Division a water analysis obtained from regional Bone Spring waters.
- 3) Ensure that the internal wellbore is plugged back to within 300 feet of the bottom injection perforation.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The wellhead injection pressure on the well shall be limited to **no more than 1,110 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of


correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 20th day of June 2005.


MARK E. FESMIRE, P.E.
Director

MEF/wvj

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division