

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
NMLC030467A

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7 If Unit of CA/Agreement, Name and/or No

1 Type of Well

☒ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No
Vaughn A-14 #7 & #8

2 Name of Operator
Cameron Oil and Gas Inc.

9 API Well No
30-025-26215, 30-025-27155

3a. Address
PO Box 1455 Roswell Nm 88202-1455

3b Phone No (include area code)
575-627-3284, 575-420-1108

10. Field and Pool or Exploratory Area
Jalmat T-Y-SR

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
SESW and SWNW Sec 14, T-24S, R-36E

11. Country or Parish, State
Lea Co. NM

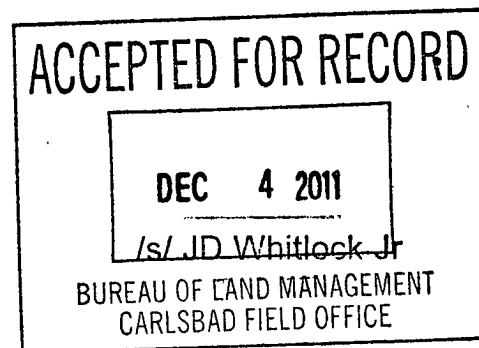
12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other Approval for water disposal
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

- 1) Name of formation, T-Y-SR
- 2) Amount of water produced: 70-80 BWPD
- 3) A current water analysis: See Attached
- 4) How water is stored on lease. Tanks on location
- 5) How water is move to disposal facility: Flowline
- 6) A Tenison Oil Co
B. JL Coates Well #4
C. SWD # 4
D. Unit C, NENW, 990' FNL & 1650'FWL, SEc. 10, T-24S, R-36E, Lea Co. NM
- 7) See Attached

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)
G David Sweeney

Title Vice President

Signature

Date 11/09/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Office

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

DEC 08 2011

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8129
Order No. R-7551

APPLICATION OF WORLDWIDE ENERGY
CORPORATION FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on March 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of June, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Worldwide Energy Corporation, is the owner and operator of the J. L. Coats Well No. 4, located 990 feet from the North line and 1650 feet from the West line of Section 10, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Seven Rivers formation, with injection into the perforated interval from approximately 3522 feet to 3580 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3500 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

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Case No. 8129
Order No. R-7551

(5) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 704 psi.

(6) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Seven Rivers formation.

(7) That the operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(8) That the operator should 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.

(9) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Worldwide Energy Corporation, is hereby authorized to utilize its J. L. Coats Well No. 4, located 990 feet from the North line and 1650 feet from the West line of Section 10, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3500 feet, with injection into the perforated interval from approximately 3522 feet to 3580 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 704 psi.

(3) That 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 Seven Rivers formation.

(4) That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

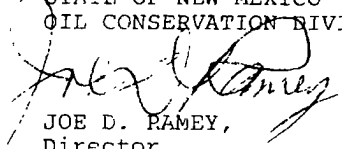
(5) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) That the applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinafore designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

DownHole SAT™ Water Analysis Report



OMEGA TREATING CHEMICALS, INC.

SYSTEM IDENTIFICATION

CAMERON OIL & GAS

VAUGHN A14 #8

CC: JOHN NOGELMEIER

Sample ID#: 0
ID:Sample Date: 10-24-2011 at 0841
Report Date: 10-28-2011

WATER CHEMISTRY

CATIONS

Calcium(as Ca)	1160
Magnesium(as Mg)	267.30
Barium(as Ba)	0.00
Sodium(as Na)	3057
Iron(as Fe)	5.00
Aluminum(as Al)	0.00
Manganese(as Mn)	0.00

ANIONS

Chloride(as Cl)	6745
Sulfate(as SO ₄)	1039
Dissolved CO ₂ (as CO ₂)	22.05
Bicarbonate(as HCO ₃)	73.20
Carbonate(as CO ₃)	72.00
H ₂ S (as H ₂ S)	4.10

PARAMETERS

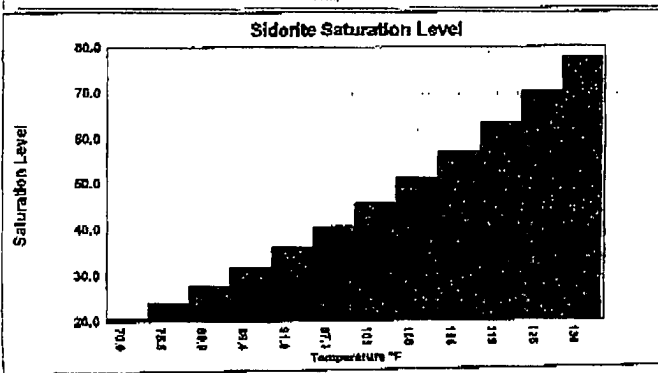
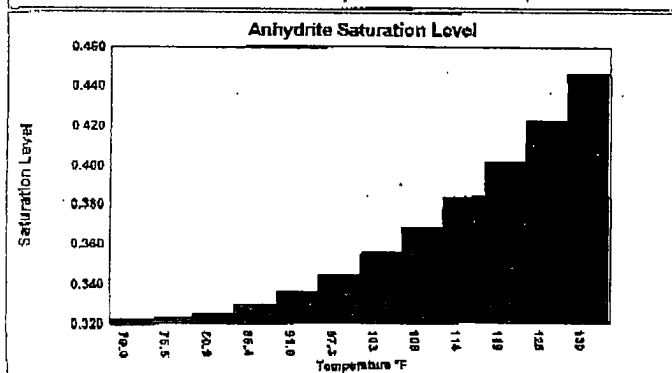
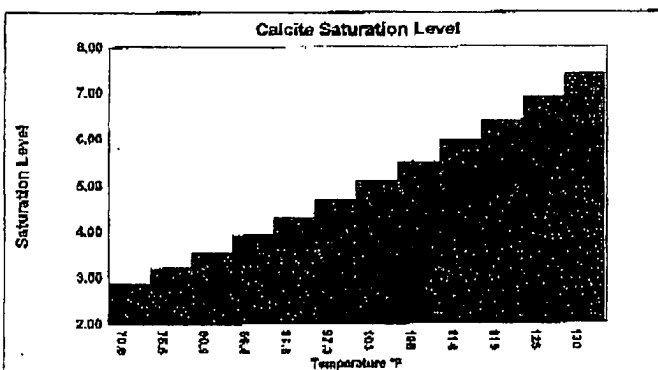
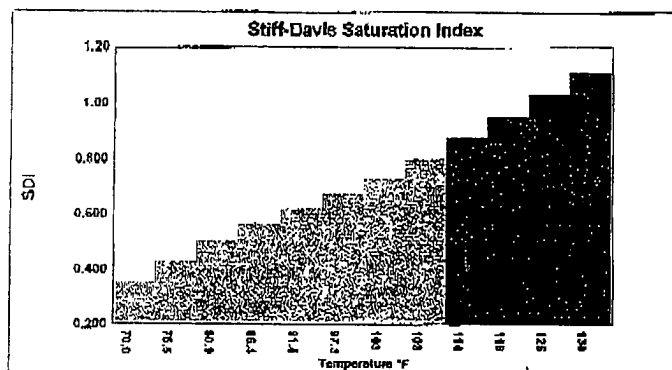
Temperature(°F)	100.00	Sample pH	7.20
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SCALE AND CORROSION POTENTIAL

Temp. (°F)	Press. (atm)	Calcite CaCO ₃	Anhydrite CaSO ₄	Gypsum CaSO ₄ *2H ₂ O	Barite BaSO ₄	Celestite SrSO ₄	Siderite FeCO ₃	Mackawenite FeS	CO ₂ (mpy)	pCO ₂ (atm)
70.00	0.00	2.89	0.130	0.323	-416.22	0.546	-211.73	0.00	-0.0147	0.00
75.45	0.00	3.22	0.146	0.323	-412.36	0.533	-219.71	0.00	-0.0169	0.00
80.91	0.00	3.56	0.161	0.325	-405.30	0.522	-226.65	0.00	-0.0192	0.00
86.36	0.00	3.93	0.177	0.330	-395.29	0.512	-232.60	0.00	-0.0217	0.00
91.82	0.00	4.31	0.192	0.336	-382.59	0.504	-237.59	0.00	-0.0244	0.00
97.27	0.00	4.70	0.206	0.344	-367.52	0.496	-241.69	0.00	-0.0273	0.00
102.73	0.00	5.10	0.220	0.355	-350.27	0.490	-244.85	0.00	-0.0303	0.00
108.18	0.00	5.51	0.234	0.368	-331.18	0.506	-229.52	0.00	-0.0335	0.00
113.64	0.00	5.95	0.247	0.384	-310.53	0.525	-212.78	0.00	-0.0369	0.00
119.09	0.00	6.41	0.261	0.402	-288.59	0.543	-197.12	0.00	-0.0407	0.00
124.55	0.00	6.89	0.275	0.423	-265.64	0.562	-182.49	0.00	-0.0449	0.00
130.00	0.00	7.39	0.289	0.447	-241.92	0.581	-168.82	0.00	-0.0493	0.00
		Lbs per xSAT 1000 Barrels		Lbs per xSAT 1000 Barrels		Lbs per xSAT 1000 Barrels		Lbs per xSAT 1000 Barrels		

Saturation Levels (xSAT) are the ratio of ion activity to solubility, e.g. (Ca)/(CO₃)/K_{sp}. pCO₂ (atm) is the partial pressure of CO₂ in the gas phase.

Lbs/1000 Barrels scale is the quantity of precipitation (or dissolution) required to Instantaneously bring the water to equilibrium



**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

6/17/2011