

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

| | | |
|---|--|---|
| <p>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.)</p> | | <p>WELL API NO. 30-025-28142 <i>28241 28141</i></p> |
| <p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <i>SWD</i></p> | | <p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p> |
| <p>2. Name of Operator Oasis Water Solutions, LLC</p> | | <p>6. State Oil & Gas Lease No.</p> |
| <p>3. Address of Operator Box 36 Monument, NM 88265</p> | | <p>7. Lease Name or Unit Agreement Name <i>State MTS</i></p> |
| <p>4. Well Location Unit Letter <i>E</i> : 1980 feet from the <i>N</i> line and <i>510</i> feet from the <i>W</i> line Section 10 Township 19 S Range 35 E NMPM Lea County</p> | | <p>8. Well Number 2 <i>310</i></p> |
| <p>11. Elevation (Show whether DR, RKB, RT, <i>GR</i> etc.) 3841.7</p> | | <p>9. OGRID Number 310761</p> |
| <p>10. Pool name or Wildcat Scharb Wolfcamp</p> | | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to administration order *SWD-1490*, Oasis wishes to start converting the above listed well as approved. Will begin work after C-103 approved and unit is available.

See attached:

HOBBSCOCD

JAN 08 2015

RECEIVED

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Eddie W. Seay* TITLE *Agent* DATE *1/7/2015*

Type or print name *Eddie W. Seay* E-mail address: *seay04@leaco.net* PHONE: *575-392-2236*

For State Use Only

APPROVED BY: *Bel Samanish* TITLE *Staff Manager* DATE *1/14/2015*

Conditions of Approval (if any):

JAN 13 2015

2015

Attachment to C-103
Oasis Water Solutions, LLC
MTS #2

- 1) Test anchors and move in PU.
- 2) Install BOP.
- 3) Remove all rods and tubing.
- 4) Go in hole clean out well bore and perforations.
- 5) Add perfs if necessary and acidize. →
- 6) Run in hole with new 3 ½ in. coated tubing and packer and set at approximately 10410 ft. or within 100 ft. top perfs. →
- 7) Notify OCD and run MIT as required.
- 8) Load backside with packer fluid.
- 9) Put on injection.
- 10) File subsequent report of work performed.
- 11) File monthly C-115.

#1490
see Att. SWD Schematic.
AND Wellbore Application.
FROM C108

HOBSOCD

JAN 08 2015

RECEIVED

COMPLETION SCHEMATIC

| CASING RECORD | | | | | |
|---------------|--------|-------|----------|-----------|----------|
| | SIZE | DEPTH | CMT | HOLE SIZE | TOC |
| SURF. | 13.375 | 300 | 750 sxs | 17.5 | 0' Circ |
| INTM1 | 8.625 | 3550 | 1300 sxs | 11 | 0' Circ |
| PROD | 5.5 | 10770 | 600 sxs | 7.875 | 7551 Cal |
| | | | | | |

SPUD: 02/08/1983
COMP: 03/18/1983

COMPLETION SCHEMATIC

| CASING RECORD | | | | | |
|---------------|--------|-------|----------|-----------|----------|
| | SIZE | DEPTH | CMT | HOLE SIZE | TOC |
| SURF. | 13.375 | 300 | 750 sxs | 17.5 | 0' Circ |
| INTM1 | 8.625 | 3550 | 1300 sxs | 11 | 0' Circ |
| PROD | 5.5 | 10770 | 600 sxs | 7.875 | 7551 Cal |

SPUD: 02/08/1983
COMP: 03/18/1983

76C @ 7551

75% using
3249'
calculated

1.22 w/ft/sack
Classett
w/2%

PERF 10568-10578

ABD 10,736

PREPARED BY: Eddie Seay

UPDATED

10/31/13

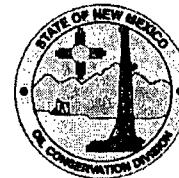
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1490
June 30, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, MNA Enterprises LTD, Company (the "operator") seeks an administrative order to ~~re-enter~~ its State MTS Well No. 2 with a location of 1980 feet from the North line and 510 feet from the West line, Unit letter E of Section 10, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, for produced-water, commercial disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, MNA Enterprises LTD, Company (OGRID 124768), is hereby authorized to utilize its State MTS Well No. 2 (API 30-025-28141) with a location of 1980 feet from the North line and 510 feet from the West line, Unit letter E of Section 10, Township 19 South, Range 35 East, NMPM, Lea County, for commercial disposal of oil field produced water (UIC Class II only) through perforations into the Wolfcamp formation from 10510 feet to 10736 feet. Injection will occur through internally-coated, 3 ½-inch or smaller tubing and a packer set within 100 feet of the permitted interval. ↙

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

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

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The maximum surface injection pressure on the well shall be limited to **no more than 2102 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's district I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

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 or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/prg

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