

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

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[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.

Eddie W. Seay
 Print or Type Name

Eddie W. Seay
 Signature

Agent for GR
 Title

12/30/17
 Date

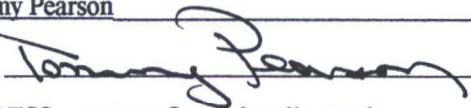
seay_04@leaco.net
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Grama Ridge Dosposal, LLC
ADDRESS: Box 1105 Eunice, NM 88231
CONTACT PARTY: Tommy Pearson PHONE: 575-370-3162
- 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? 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:
- Proposed average and maximum daily rate and volume of fluids to be injected;
 - Whether the system is open or closed;
 - Proposed average and maximum injection pressure;
 - Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water; and,
 - 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.

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NAME: Tommy Pearson TITLE: Owner - Operator

SIGNATURE:  DATE: 12/22/17

E-MAIL ADDRESS: tommy@merchantlivestock.com

- * 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: new drill

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

ATTACHMENT TO APPLICATION C-108

Ojo Chiso #2 (API 30-025-)
Unit O, Sect. 24, Tws 22 S., Rng. 34 E.
Lea, NM

III. WELL DATA

- A.
- 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 4 ½" coated tubing.
 - 4) 10 k nickel plated double grip retrievable.
- B.
- 1) Injection formation is the Devonian/Silurian.
 - 2) Injection interval open hole from 14480' to 16030'.
 - 3) This will be a new drill for SWD.
 - 4) The next higher producing zone is the Wolfcamp at approximately 11200'.
- The next lower producing zone is the Ordovician, Simpson, McKee and Ellenburger at approximately 17000' if present.

IV. NO

V. MAP ATTACHED.

VI. LIST OF WELLS, wells listed in the AOR do not penetrate the proposed injection zone.

VII. Upon approval, Grama Ridge will begin construction on the location immediately, notify OCD and a rig will be moved in and well will be constructed as approved. The drilling and completion of well will take approximately 6 to 8 weeks. After drilling and completion, with all appropriate logs run, Grama Ridge will run 4 ½" IPC tubing and packer set within 100 ft. of upper most open hole section. OCD will be notified of MIT. The annulus will be loaded with anti-corrosive packer fluid and pressure monitoring devices. The facility will be closed system with all new tanks and pumps, and produced water piped in as Grama Ridge allows. A C-103 will be filed of all activities with the OCD along with logs. Operator will adhere to all OCD rules and regulations and comply with 19-15-29 NMAC and 19-15-30 NMAC, as required.

- 1) Plan to inject approximately 15,000 bpd of produced water from various operators.
- 2) Closed system.

- 3) Average injection pressure should be approximately 0# to 2890# or whatever limit OCD allows.
- 4) Produced water from various sources, Bone Springs, Wolfcamp, Delaware, etc. Water analytical attached.

VIII. The proposed disposal formations are Devonian and Silurian which consists of Dolomite and Carbonate and chert intervals interspersed with some tight limestone intervals.

The fresh water formation in the area is the Alluvium which ranges in thickness from 60' to 70' and the Santa Rosa between 400-600' . State Engineers records show no water wells within the AOR of the proposed SWD.

IX. ACID AS NEEDED TO CLEAN AND OPEN THE FORMATION.

X. ALL LOGS RUN ON THE WELL WILL BE FILED WITH OCD.

XI. (SEE ATTACHMENT) NO WATER WELLS WITHIN THE AOR OF PROPOSED SWD.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. ATTACHED.

INJECTION WELL DATA SHEET

OPERATOR: Grama Ridge Disposal LLC

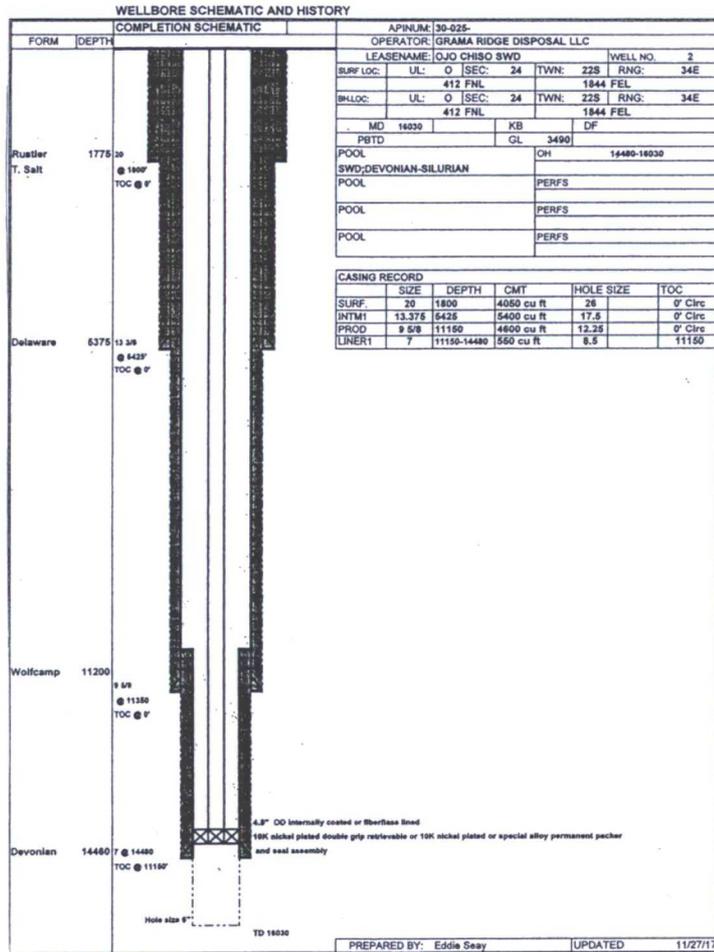
WELL NAME & NUMBER: Ojo Chiso #2

WELL LOCATION: 412/S 1844/E 0 24 22 34 E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing



Hole Size: 26 Casing Size: 20
 Cemented with: _____ SX. or 4050 ft³
 Top of Cement: Surface Method Determined: Cure

Intermediate Casing

Hole Size: 17.5 Casing Size: 13.375
 Cemented with: _____ SX. or 5400 ft³
 Top of Cement: Surface Method Determined: Cure

Production Casing

Hole Size: 12.25 Casing Size: 9 5/8
 Cemented with: _____ SX. or 4600 ft³
 Top of Cement: Surface Method Determined: Cure

Total Depth: 16030
 7 in liner 11150 - 14480
 550 cu ft / @ top of liner 11150

Injection Interval

14480 feet to 16030

(Perforated or Open Hole indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4 1/2 Lining Material: internally coated
Type of Packer: 10K nickel plated double grip retrievable type
Packer Setting Depth: Approx 14420
Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

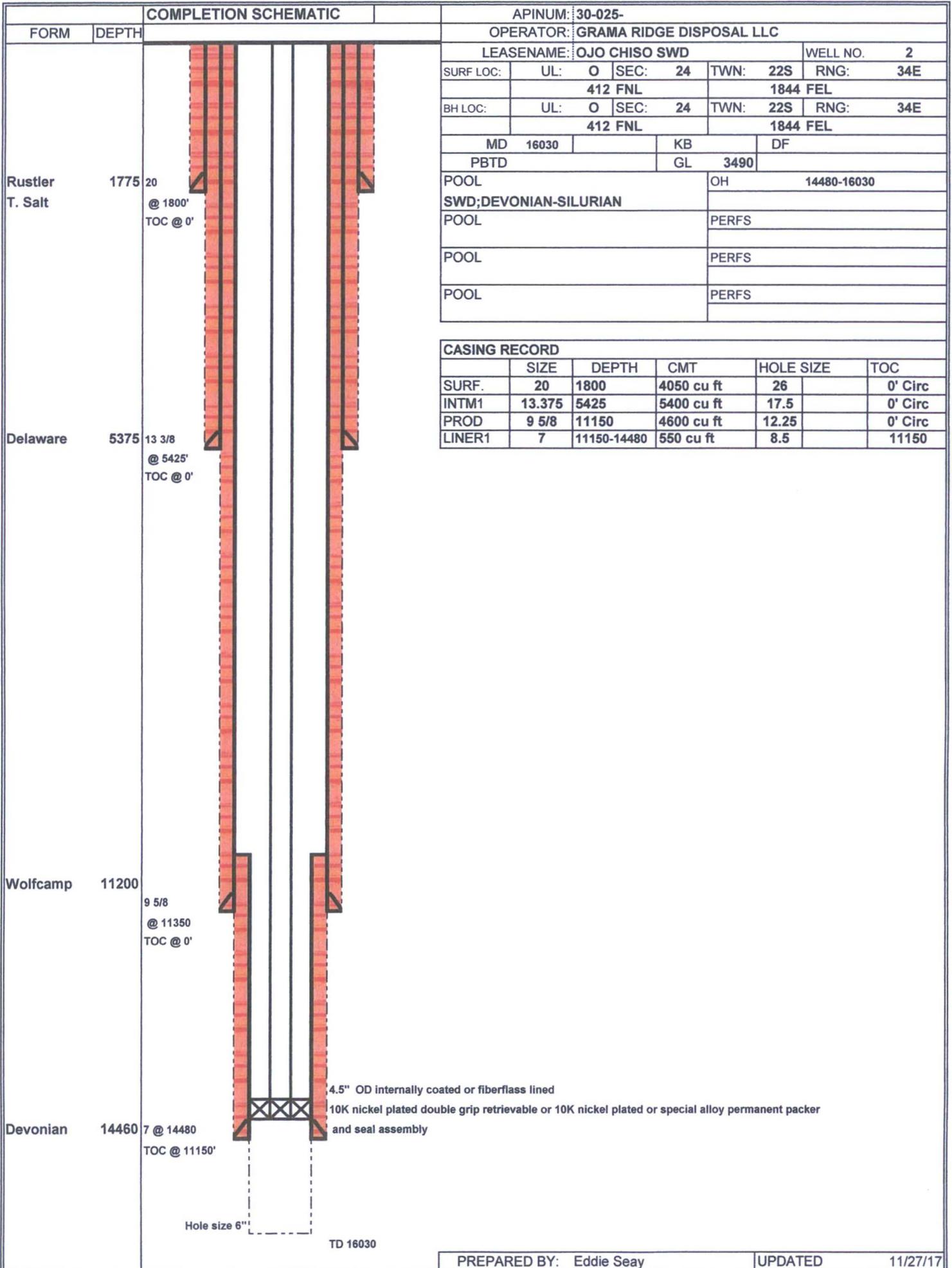
1. Is this a new well drilled for injection? Yes No
If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Devonian / Silurian
3. Name of Field or Pool (if applicable): Devonian SWD
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____
the Wolfcamp is at approx 11200
the Ordovician is at approx 17000ft if
present.

Wells within 1/2 mile of proposed SWD. These wells do not penetrate proposed disposal interval.

API	Operator/Welname	#	Type/Status		Sec	Tw	Rng	U/L			Dir	MD	TVD	GL
30-025-	Proposed SWD GRAMA RIDGE DISPOSAL LLC OJO CHISO	#002	SWD											
				SURF	24	22S	34E	O	412 S	1844 E				
				BH	24	22S	34E	O	412 S	1844 E	V	16030	16030	
30-025-40934	CENTENNIAL RESOURCE PRODUCTION, LLC MERCHANT LIVESTOCK 24 STATE COM	#001H	Oil Active	SURF	24	22S	34E	M	20 S	380 W				
				BH	24	22S	34E	D	4889 S	356 W	H	15892	11176	3466
30-025-41348	GMT EXPLORATION COMPANY LLC MERCHANT LIVESTOCK 24 STATE COM	#003C	Oil Cancelled Apd	SURF	24	22S	34E	O	41 S	3020 W				
				BH								0	0	3478
30-025-41349	GMT EXPLORATION COMPANY LLC MERCHANT LIVESTOCK 24 STATE COM	#004C	Oil Cancelled Apd	SURF	24	22S	34E	P	44 S	4340 W				
				BH								0	0	3508

WELLBORE SCHEMATIC AND HISTORY



COMPLETION SCHEMATIC

APINUM: 30-025-

FORM DEPTH

OPERATOR: GRAMA RIDGE DISPOSAL LLC

LEASENAME: OJO CHISO SWD

WELL NO. 2

SURF LOC: UL: 0 SEC: 24 TWN: 22S RNG: 34E

412 FNL 1844 FEL

BH LOC: UL: 0 SEC: 24 TWN: 22S RNG: 34E

412 FNL 1844 FEL

MD 16030 KB DF

PBTD GL 3490

POOL OH 14480-16030

SWD;DEVONIAN-SILURIAN

POOL PERFS

POOL PERFS

POOL PERFS

CASING RECORD

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	20	1800	4050 cu ft	26	0' Circ
INTM1	13.375	5425	5400 cu ft	17.5	0' Circ
PROD	9 5/8	11150	4600 cu ft	12.25	0' Circ
LINER1	7	11150-14480	550 cu ft	8.5	11150

PREPARED BY: Eddie Seay

UPDATED

11/27/17