OCD-HOBBS

| Do not use | UNITED STATES DEFARTMENT OF THE INTERIOR BUFFAU OF LAND MANAGEMENT ORY NOTICES AND REPORTS ON V this form for proposals to drill or to well Use Form 3160-3 (APD) for such | re-enter an | FORM APPROVED OMB No. 1804-0135 Expire January 31, 2004 5. Lease Serial No. MMM OSO 6. If Indian, Allottee or Tribe Name |
|---|--|--|---|
| SUBMIT IN 7 | RIPLICATE - Other instructions or | reverse side | ? If Unit or CA'Agreement, Name and or No |
| Oil Well Gras Well | | | 8. Well Name and No. 5 + 7 (|
| PO Box 1455 4 Location of Well through. | Roswell NM 88201 (575) 6 Roswell NM 88201 (575) 6 FOL + 660 FUL Sec 31 To FOL + 660 FUL Sec 31 To | 255 R-3AE | 9 API Well No 30 025-12438 30-025-12 10 Field and Pool of Exploratory Area LANGE MATTIX TRUBS - Q - CAY 11 Commy or Parish, State Lea Co NM |
| 12 CHECK | APPROPRIATE BOX(ES) TO INDICA | TE NATURE OF NOTICE, F | REPORT, OR OTHER DALA |
| TYPL OF SUBMISSION | | TYPE OF ACTION | |
| If the proposal is to deepen Attach the Bond under which | leted tops ration (clearly state all perturent details direct andly or recomplete horizontally, give subsidities to know the performed or provide the Bommon of operations. If the operation results in a Tinch coandonnent Notices shall be filed only in | e Treat Reclamation onstruction Recomplete d Abandon Pemporarily A tek Water Disposal meluding estimated starting date of a urface locations and measured and to d No, on file with BLM BLA Requ morarily, completion of its opiniously. | Well Integrity Other bandon |
| Roquest Pr | PRECEIVE APR 0 3 2008 HOBBS O | | APPROVED APR 2 2008 OMA BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE |
| 14 Thereby certify that the fore Name (Printe L'Typed) | | Title Operations | - Manager |

Signature Date 3-11-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Conditions of approval, if any, are at a red. Approval of this notice does not warrant or course that the applicant holds regal is equitable title to doose rights in the subject leave office.

Office

Title 18 U.S.C. Section 1001 and Title 45 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, recitious or fraudulen (Trements of representations as to any matter within its jurisdiction

| The three transfer to include the property of the transfer to |
|---|
| The following information is needed before your disposal of produced water can be approved, per Onshore Oil & Gas Order #7 |
| You may attach this information to your Sundry Notice (3160-5). Submit all required information as per this attachment, submit a Sundry Notice (3160-5), one original and five copies to this office within the required time |
| 1. Name(s) of all formation(s) producing water on the lease. TRURS - QUOR-GRYB |
| 2. Amount of water produced from all formations in barrels per day. 14. – 20 |
| 3. A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. See AHPCHED WATER ANALYSIS |
| 4. How water is stored on the lease. SOO BBI TANK |
| . How water is moved to the disposal facility. UIA TRUCK |
| A. Operators' Name_FULFER_OW & CAHLE CO. B. Well Name_BOBCAT_BROWN #5 C. Well type and well number D. Location by quarter/quarter, section, township, and range_Sw/4 Nw/4 Ow E Sec 25 T-255 R-368 Leaco NM |

 A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.

DATE:

2/26/2008

OMEGA TREATING CHEMICALS, INC. 2605 GARDEN CITY HYW. MIDLAND, TEXAS 79701

WATER ANALYSIS REPORT

COMPANY NAME:

CAMERON

LEASE NAME:

GINSBURG

WELL#\SAMPLE POINT: #7

| ı. | WELLHEAD PH | 6.68 | |
|----|----------------------------|-------------|------|
| | H2S (QUALITATIVE) | | PPM |
| | CALCIUM (Ca) | | Mg/L |
| | MAGNESIUM (Mg) | | Mg/L |
| | IRON (Fe) | | PPM |
| | SODIUM | | Mg/L |
| | CHLORIDE (C1) | | |
| | BICARBONATE (HCO3) | | |
| | SULFATE (SO4) | | _ |
| | TOTAL HARDNESS | | Mg/L |
| | TOTAL DISSOLVED SOLIDS | | _ |
| | RESISTIVITY | | • |
| | CARBONATE SCALING TENDENCY | | |
| | SULFATE SCALING TENDENCY | | |
| | | ?D | |
| | REMARKS: | | |
| | COPIES TO: | | |

DATE: 2/26/2008

OMEGA TREATING CHEMICALS, INC. 2605 GARDEN CITY HYW. MIDLAND, TEXAS 79701

WATER ANALYSIS REPORT

COMPANY NAME:

CAMERON

LEASE NAME:

GINSBURG

WELL#\SAMPLE POINT: #1

| 1. | WELLHEAD PH | 7.06 | |
|-----|----------------------------|-------|--------|
| 2. | HZS (QUALITATIVE) | 0.00 | PPM |
| | CALCIUM (Ca) | | Mg/L |
| | Magnesium (Mg) | | - |
| | IRON (Fe) | | - |
| | SODIUM | | |
| | CHLORIDE (C1) | | _ |
| | BICARBONATE (HCO3) | | |
| | SULFATE (SO4) | | _ |
| | TOTAL HARDNESS | | _ |
| | TOTAL DISSOLVED SOLIDS | | |
| 12. | RESISTIVITY | 0.13 | 9, |
| 13. | CARBONATE SCALING TENDENCY | 0.77 | |
| | SULFATE SCALING TENDENCY | -3.02 | |
| | BOPDBWPD | 7. 72 | |
| | REMARKS: | | |
| | COPIES TO: | | ······ |

BEFORE THE U(1. CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 5655 Order No. R-5196

APPLICATION OF APOLLO OIL COMPANY FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 20th day of April, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Apollo Oil Company, is the owner and operator of the Brown Well No. 5, located in Unit E of Section 25, Township 25 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 lower Yates-Seven Rivers formation, with injection into the open-hole interval from approximately 3289 reet to 5363 feet.
- (4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 3150 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure and/or vacuum gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.
- (5) That if injection into said well should be under pressure, the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 825 psi.

-2-Case No. 5655 Order No. R-5196

- (6) That the operator should notify the supervisor of th Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injectior interval and is not permitted to escape to other formations or onto the surface.
- (8) 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, Apollo Oil Company, is hereby authorized to utilize its Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to dispose of produced salt water into the lower Yates-Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3150 feet, with injection into the open-hole interval from approximately 3289 feet to 3363 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 and/or vacuum 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 if injection into said well shall be under pressur the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 825 psi.
- (3) That if injection into said well is under a vacuum, the operator shall conduct an annual pressure test of the casing-tubing annulus to determine leakage of the casing, tubing, or packer in said well.
- (4) That the operator shall notify the Hobbs office of the Commission of the date and time of such pressure tests in order that they may be witnessed by a Commission representative.
- (5) That the operator shall notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

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-3-Case No. 5655 Order No. R-5196

- (6) That the operator shall immediately notify the supervisor of the Commission'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.
- (7) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.
- (8) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

FOR D. RAMEY, Member & Secretary

SEAL

8.00