RECEIVED New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240
OCT 15 2008

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No. 304998 LC-062178
	6. If Indian, Allottee or Tribe Name
	7. If Unit of CA/Agreement, Name and/or No. NM-70990X
	8. Well Name and No. Milnesand Uniit No.58 ✓
2. Name of Operator EOR Operating Company ✓	9. API Well No. 30-041-00255 ✓
3a. Address One Riverway Suite 610, Houston Tx.	3b. Phone No. *(include area code)* (832) 485-8500
	10. Field and Pool or Exploratory Area 46930
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* 660 FNL & 660 FEL ✓	11. Country or Parish, State Roosevelt Co. NM ✓

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☑ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other _____
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☑ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

EOR Operating Company will commence injection into the Milnesand Unit Well No. 58 on or around the 1st of September, 2008 thru Feberuary 2009, or until production goals are achieved. We propose to inject 500 MCF of Co2 daily into perforation intervals located at 4550 ft. to 4610 ft. from surface with a surface well head pressure not to exceed 2000 psi.. Total depth of this well is 4700 feet.

We will be utilizing surface equipment located at a production facility approximately 1200 feet from the #58 location. This surface equipment consists of a 75 ton Co2 storage tank, charge pump, pump skid and line heaters. We will be pumping Co2 thru a 2 3/8 IPC steel injection line and monitoring flow rate, temperature and presssures at multiple points to ensure that safety and environmental concerns are strictly maintained.

If there is other information needed or correspondance that needs to be filed concerning this project, please contact the number listed above or Andy Chalker at (432) 687-0303 Ext.27 or (432)556-7982

WFX-837

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)* Andy Chalker	Title Sr. Operations Supervisor
Signature Andy Chalker	Date 09/01/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by /S/ DAVID R. GLASS OCT 6 2008	Title	Date OCT 17 2008
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.

DAVID R. GLASS
PETROLEUM ENGINEER

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

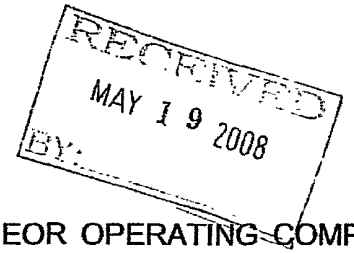
BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order WFX-837
May 2, 2008
Corrected May 12, 2008

APPLICATION OF EOR OPERATING COMPANY TO EXPAND ITS WATERFLOOD PROJECT IN THE MILNESAND SAN ANDRES POOL IN ROOSEVELT COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-3770, as amended, EOR Operating Company (OGRID No. 257420) has made application to the Division for permission to add one additional injection well to its Milnesand Waterflood Project located within the Milnesand San Andres Pool (Pool No. 46930) in Roosevelt County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application was filed in due form. No objections have been filed within the waiting period prescribed by Division Rule 701(C). The proposed injection well is eligible for conversion to injection under the terms of Rule 701. The operator is in compliance with Rule 40.

The proposed expansion of the above-referenced waterflood project will not cause waste nor impair correlative rights and should be approved.

IT IS THEREFORE ORDERED THAT:

EOR Operating Company is hereby authorized to inject water and/or CO2 into the unitized interval of the Milnesand Waterflood Project, through plastic-lined tubing set in a packer located within 100 feet of the top of the injection interval in the following-described well for purposes of enhanced recovery:

Milnesand Unit Well No. 58 (API No. 30-041-00255)
660' FNL, 660' FEL, Unit A, Sec 13, T8S, R34E, NMPM
Permitted Injection Interval: 4,536 to 4,646
Maximum Surface Injection Pressure: 1,300 PSIG with Water or 2,000 PSIG with CO2

IT IS FURTHER ORDERED THAT:

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

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with pressure limiting devices which will limit the wellhead pressure to the maximum surface injection pressure described above.

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 permitted injection interval. Such proper showing shall consist of valid step-rate tests run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of all mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs 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.

The subject well shall be governed by all provisions of Division Order No. R-3770, as amended, and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

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 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

received prior to the one year deadline, may grant an extension thereof for good cause shown.

MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: ____X____Secondary Recovery _____Pressure Maintenance _____Disposal _____Storage
Application qualifies for administrative approval? ____X____Yes _____No

II. OPERATOR: ____EOR Operating Company_____

ADDRESS: _____One Riverway Suite 610, Houston, TX 77056_____

CONTACT PARTY: _____Jim Skurner, P.E._____PHONE: ____(832) 485-8500 x505____

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 ____X____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. – (See Attachment A)

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. (See Attachment B)

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected; (See Attachment C)
2. Whether the system is open or closed; - Closed (see Attachment D)
3. Proposed average and maximum injection pressure; (see Attachment C)
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, – 3rd party trucked liquid CO2 (guaranteed 99.5% pure) / produced water
5. 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.). – N/A

*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. N/A

*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.

NAME: _____James A. Skurner_____TITLE: ___Manager Reservoir Engineering_____

SIGNATURE: _____DATE: _____

E-MAIL ADDRESS: _____jskurner@enhancedoilres.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: ____Original permit to drill API# 30041002550000_____

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

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

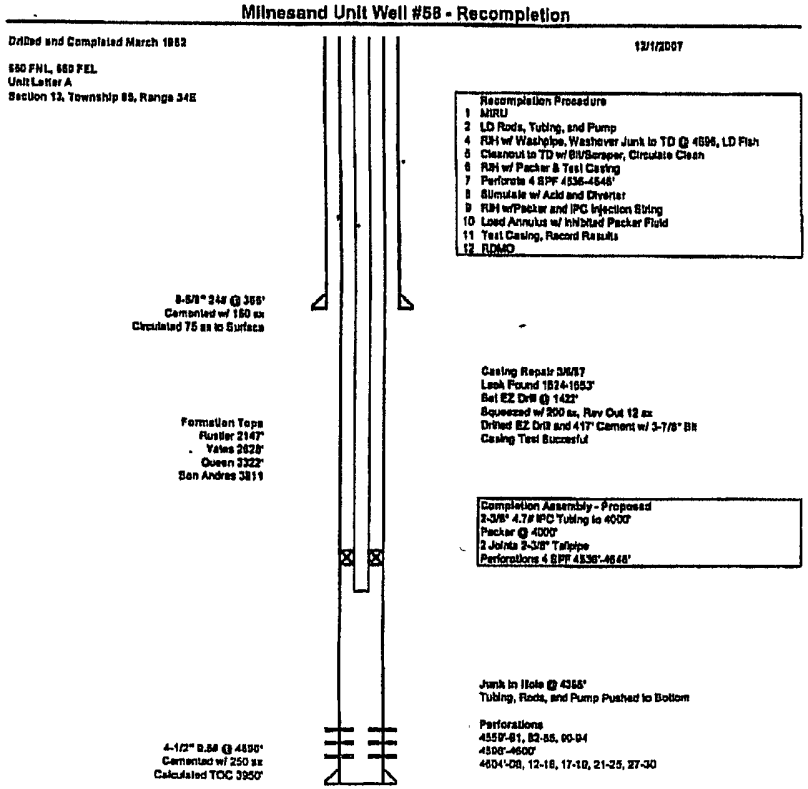
INJECTION WELL DATA SHEET

OPERATOR: EOR Operating Company

WELL NAME & NUMBER: Milnesand Unit 58

WELL LOCATION: 660 FNL & 660 FEL (FOOTAGE LOCATION) A (UNIT LETTER) 13 (SECTION) 8S (TOWNSHIP) 34E (RANGE)

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 3/4" Casing Size: 8 5/8"

Cemented with: 150 sx. *or* _____ ft³

Top of Cement: surface Method Determined: returns 75sx

Intermediate Casing – n/a

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 4 ½" 9.5#

Cemented with: 250 sx. *or* _____ ft³

Top of Cement: 3950' Method Determined: calculated

Total Depth: 4696'

Injection Interval

4550 4610

4536 feet to 4646

(Perforated or ; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" Lining Material: Corvell IPC

Type of Packer: Halliburton G-4 4 ½", 9.5# - 13.5#, 2 3/8" API-EU, B-P

Packer Setting Depth: 4000'

Other Type of Tubing/Casing Seal (if applicable): n/a

Additional Data

1. Is this a new well drilled for injection? Yes X No

   If no, for what purpose was the well originally drilled? Oil Producer

2. Name of the Injection Formation: San Andres

3. Name of Field or Pool (if applicable): Milnesand San Andres Unit

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:

   Rustler 2147'

   Yates 2628'

   Queen 3322'

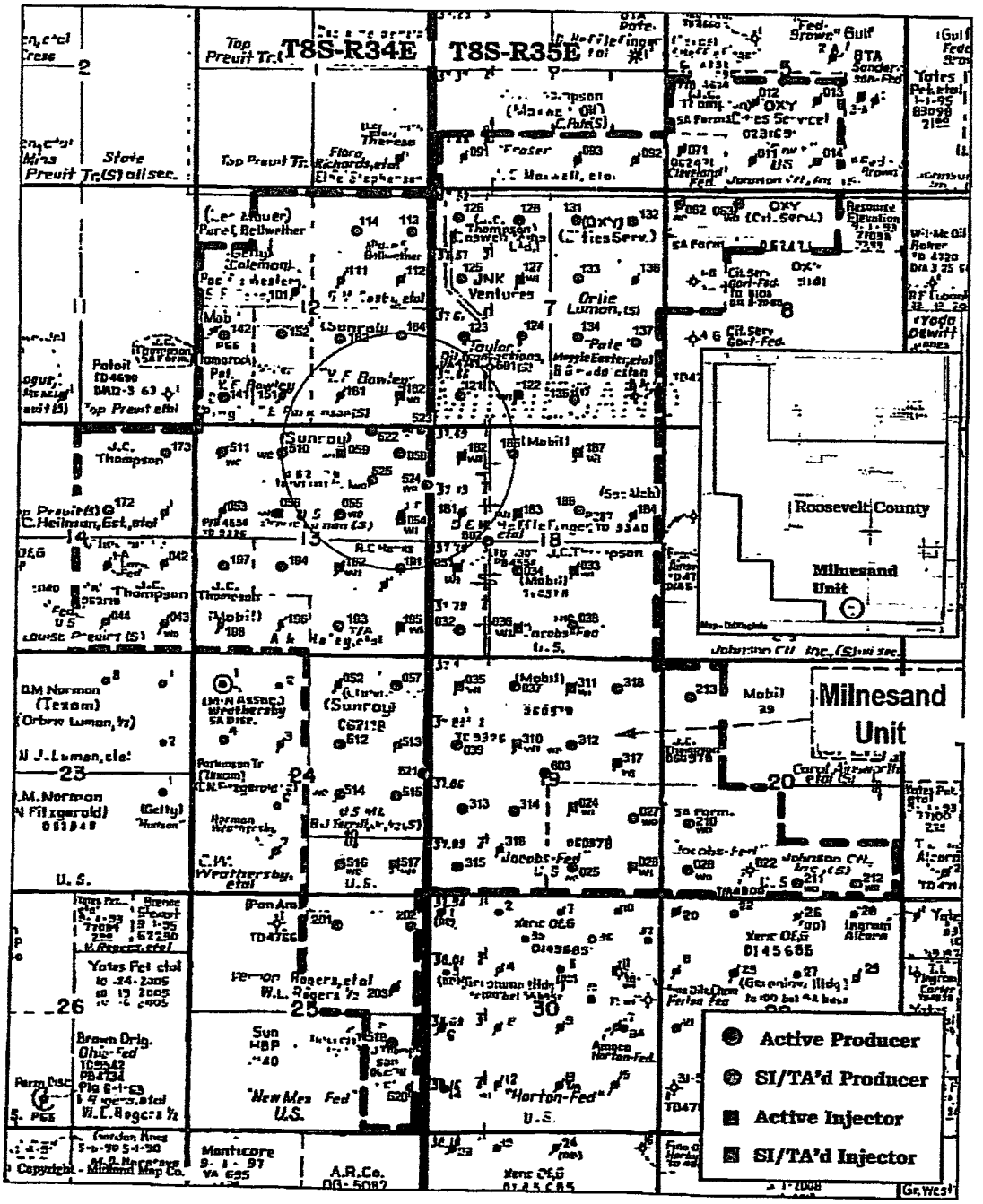
EOR Operating Company
Area of Review Wells

Source	Entity Type	Lease Name	Well Number	API	Type	Depth	PBTD	Perforation Upper	Perforation Lower	Status	Surface Latitude	Surface Longitude	Date Completion	Date Abandonment
PI	WELL	MILNESAND UNIT	102	3004100245000O	Injector	4700		4633	4026	ACTIVE	33.63018	-103.41072	11/26/1962	
PI	WELL	MILNESAND UNIT	184	3004100246000O	Producer	4700		4678	4038	INACTIVE - TA	33.63381	-103.41073	12/17/1962	
PI	WELL	MILNESAND UNIT	54	3004100251000O	Injector	4663		4582	4030	ACTIVE	33.62273	-103.41062	12/0/1961	
PI	WELL	MILNESAND UNIT	65	3004100252000I	Producer	4697		4655	4026	ACTIVE	33.62284	-103.41496	12/5/1962	
PI	WELL	MILNESAND UNIT	59	3004100255000O	Injector	4697		4580	4023	ACTIVE	33.62057	-103.41502	4/11/1962	
PI	WELL	MILNESAND UNIT	610	3004100259000O	Producer	4668		4577	4020	INACTIVE - TA	33.62059	-103.41507	4/23/1962	
PI	WELL	MILNESAND UNIT	68	3004100265000O	Producer	4700		4559	4030	ACTIVE	33.62055	-103.41058	5/31/1962	
PI	WELL	MILNESAND UNIT	121	3004100268000O	Producer	4670		4502	4038	INACTIVE - TA	33.63018	-103.40638	6/18/1962	
PI	WELL	MILNESAND UNIT	181	3004100283000O	Producer	4695		4624	4030	INACTIVE - TA	33.61834	-103.41057	8/20/1901	
PI	WELL	MILNESAND UNIT	182	3004100313000I	Injector	9310	4769	4643	4012	ACTIVE	33.62655	-103.40834	8/10/1902	
PI	WELL	MILNESAND UNIT	181	3004100285000O	Producer	4719		4628	4054	INACTIVE - PA	33.62252	-103.40829	7/27/1961	7/1/2001
PI	WELL	MILNESAND UNIT	522	3004120847000O	Producer	4750		4529	4025	ACTIVE	33.62813	-103.413	7/17/1982	
PI	WELL	MILNESAND UNIT	523	3004120848000O	Producer	4716		4544	4019	ACTIVE	33.62811	-103.40863	7/20/1982	
PI	WELL	MILNESAND UNIT	524	3004120849000O	Producer	4750		4585	4026	INACTIVE - TA	33.62462	-103.40878	7/0/1982	
PI	WELL	MILNESAND UNIT	625	3004120885000O	Producer	4750		4549	4022	INACTIVE - TA	33.62481	-103.41278	7/20/1982	
PI	WELL	MILNESAND UNIT	185	3004110056000O	Producer	4683		4573	4022	INACTIVE - TA	33.62856	-103.40228	6/8/1983	
PI	WELL	MILNESAND UNIT	181	3004100242000O	Producer	4701		4585	4032	INACTIVE - PA	33.63024	-103.41600	10/18/1962	4/1/1990

Attachment B

Attachment A

Area Map

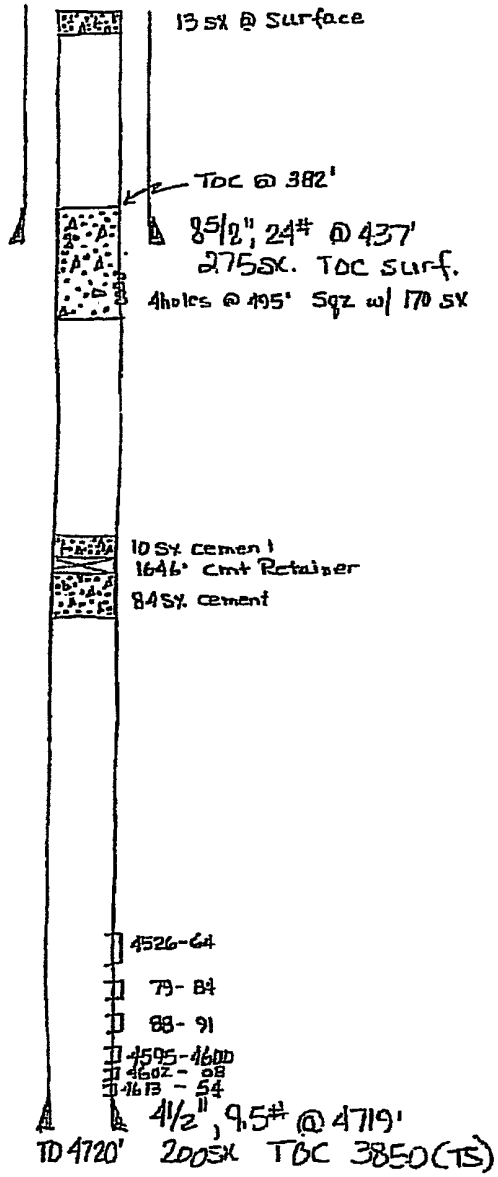


MILNESAND UNIT #181

1980' FNL & 660' FWL
"E" Sec. 18 T8S R34E
Roosevelt Co., N M

7/02
CKS

TD 4720'
Comp 7/61 PA'd 7/01
Elev 4236'

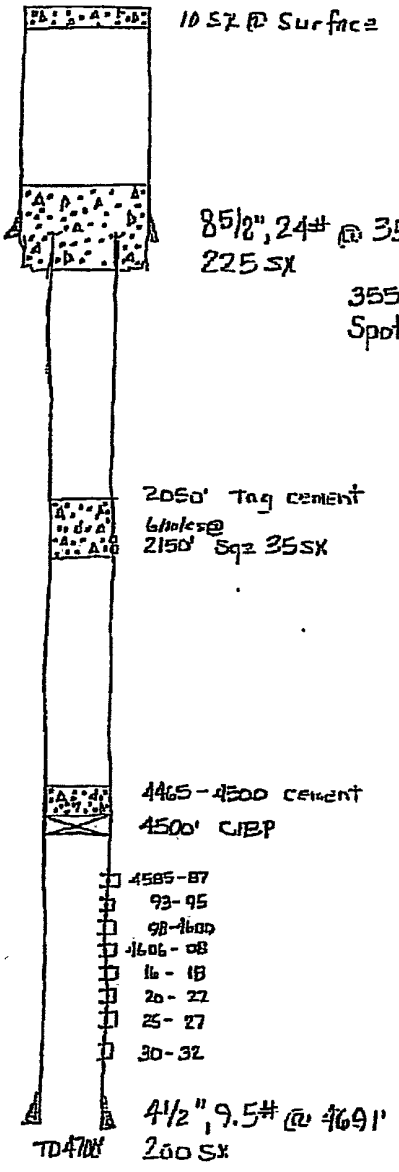


22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS
AMPAD

7/02
CKS

MILNESAND UNIT # 161

660' FSL & 1980' FEL
'O' Sec 12 T8S R34E
Roosevelt Co., NM



TD 4700'
Comp 10/62 PA'd 4/90
Elev

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS
AMPAD

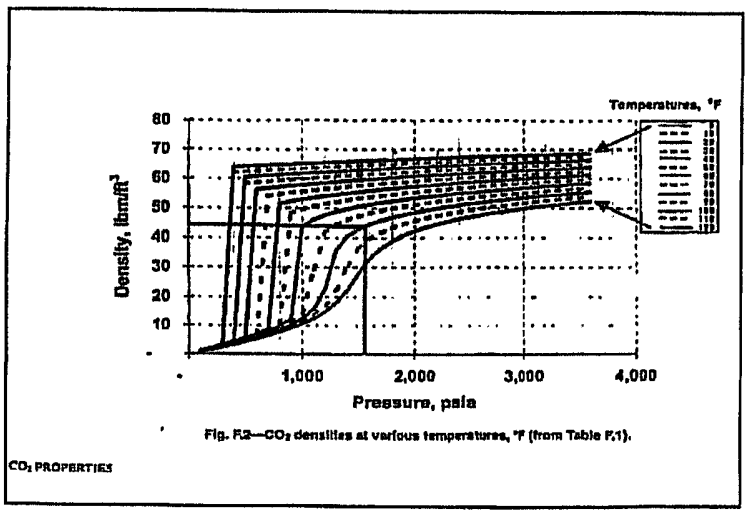
Attachment C

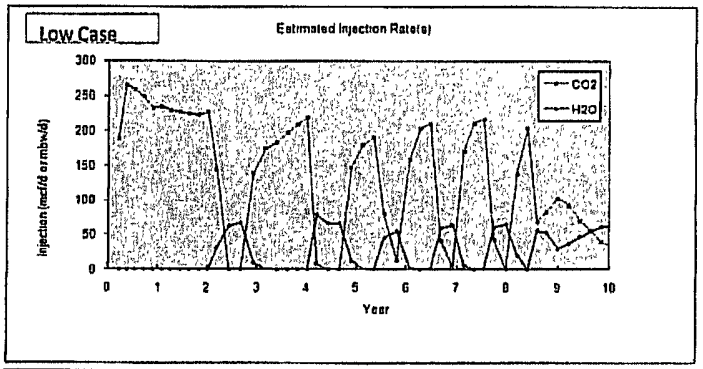
EOR Operating Company
Milnesand Unit #58 Injection Permit Forecast

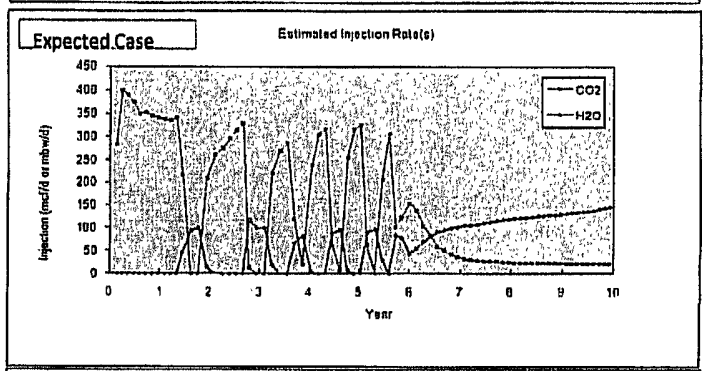
Expected CO2 Inj. Rate =	375 MCFPD
Max. CO2 Inj. Rate =	800 MCFPD
Expected H2O Inj. Rate=	100 BWPD
Max. H2O Inj. Rate=	300 BWPD
Max. Total CO2 Inj.=	561 MMCF

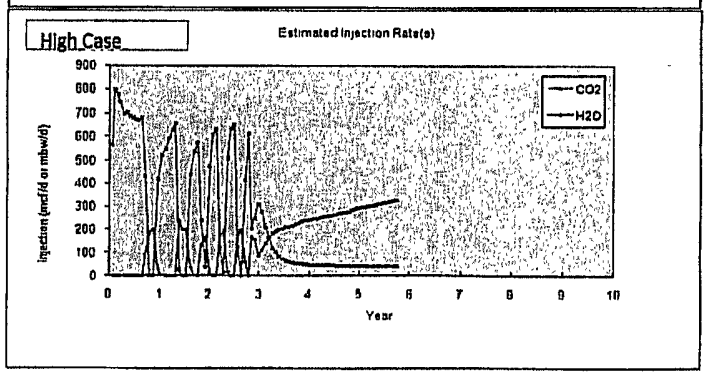
Average Inj. Pressure=	1500 psi
Max. Inj. Pressure=	2000 psi

Depth=	4600 ft
Temperature=	100 F
CO2 Density=	45 lbm/ft3









Attachment D