

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

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.  
NM 120908

6. If Indian Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other Re-entry

2. Name of Operator  
OGX Resources LLC

8. Well Name and No.  
Turquoise "30" Federal SWD #1

9. API Well No.  
30-025-33455

3a. Address  
P. O. Box 2064  
Midland, Texas 79702

3b. Phone No. (include area code)  
432-685-1287

10. Field and Pool or Exploratory Area  
Undesignated Wildcat Delaware

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1930' FNL & 1980' FWL (F), Sec. 30, T24S, R32E

11. Country or Parish, State  
Lea County, New Mexico

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

| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                |   |  |   |
|---|---|---|--|---|
| <input 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 _____    |
|   | <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 checked="" 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 recompletable 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 recompletable 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.)

3/6/10 Drill out 5 1/2" ID to 3323'

3/8/10 Drill out 5 1/2" ID to 4236'

3/9/10 Test 8 5/8" & 5 1/2" to 500 psi.

3/12/10 TIH w/patch on 87 jts 5 1/2" 15.5# J-55 csg to 3232'.

3/13/10 RU Schlumberger. Cmt pump 131 bbls 14.8# CI C cmt. Cmt 5 1/2" csg to surf. Circ 16 bbls (67 sks) of cmt to surf. WOC. BLM & OCD notified 3/12/10.

3/14/10 Drill out 5 1/2" ID.

3/17/10 Ran CIT test for BLM on csg tie-back, 500 psi for 37 mins. Good test. Witnessed by BLM.

3/18/10 Drill out to 7128'.

3/19/10 Test csg to 500 psi. RU WL. Set CIBP at 7040'. Ran GR/CCL Correlation log to 5000'. SWI. RU pump & test csg. CIBP & frac valve to 2500 psi. good test. Perf 5725-26, 6 holes; 5770-72, 9 holes; 5865-69, 15 holes; 5950-54, 15 holes. 3 jspt/45 total holes. Dump 10' cmt on CIBP at 7040'.

3/21/10 RU BJ. Frac injection intervals w/58,522 gals Viking 2500 pad while ppg 129,213# 12/20 brown sd in 1#, 2#, 3#, 4#, 5#, 6# stages. Flush to top perf. RD BJ.

3/24/10 Ran Baker Hornet pkr 5679'. Circ pkr fluid. Set pkr. RD move off.

SWD-1203

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

Shelley Bush

Title Production Analyst

Signature

*Shelley Bush*

Date 03/24/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

DEC 09 2010

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. *ECG 10-9-10*

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)



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jon Goldstein**  
Cabinet Secretary

**Jim Noel**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Administrative Order SWD-1203  
January 27, 2010

Ann Ritchie agent for  
OGX Resources LLC  
PO Box 953  
Midland, TX 79702

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., OGX Resources LLC seeks an administrative order to utilize its Turquoise 30 Federal Well No. 1 (API 30-025-33455) located 1930 feet from the North line and 1980 feet from the West line, Unit F of Section 30, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) 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 Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

### IT IS THEREFORE ORDERED THAT:

The applicant, OGX Resources LLC (OGRID 217955), is hereby authorized to utilize its Turquoise 30 Federal Well No. 1 (API 30-025-33455) located 1930 feet from the North line and 1980 feet from the West line, Unit F of Section 30, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced waste water into the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group through perforations from 4700 feet to 5975 feet through plastic-lined tubing set within 100 feet of the disposal interval.

**Prior to commencing injection**, the operator shall run a Cement Bond Log from the current plug back total depth up to above the highest cement top and submit that log to the engineering bureau of the Division. In addition the operator shall set a cast iron bridge plug capped with cement in the well within 200 feet below the lowermost permitted injection interval.



IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

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 wellhead injection pressure on the well shall be limited to **no more than 940 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 no more than the maximum allowable pressure for this well.

The Director of the Division may administratively authorize an increase in surface 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 an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test 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 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district 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.

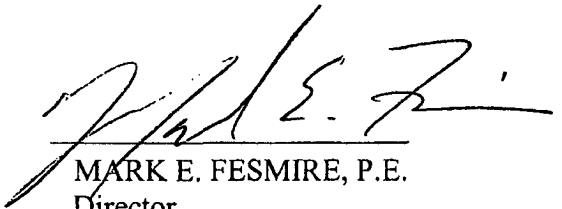
The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal 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, mailed by the operator prior to the termination date, may grant an extension thereof for good

cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

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.



MARK E. FESMIRE, P.E.  
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs  
Bureau of Land Management – Carlsbad