

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM 0336039

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Midwest Federal "G" #1

9. API Well No. 30-025-4 22715

10. Field and Pool, or Exploratory Area
Vada Penn.

11. County or Parish, State
Lea County, N.M.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Petroleum Production Management, Inc.

3. Address and Telephone No.

P.O. Box 957 Crossroads, New Mexico 88114

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

UL "F", 1980' FNL and 1980' FWL Sec. 31, T-9-S, R-34-E
Lea County, New Mexico

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Water Disposal

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. Vada Penn Bough "C"
2. 190 barrels
3. Water Analysis attached
4. No water stored on lease
5. Water is dumped from heater treater down disposal
6. Operator--Penroc Oil Company
Vada SWD "L"
SWD No. 3
UL "L", Sec. 3, T-10-S, R-34-E Lea County, New Mexico
7. Underground Injection Control Permit attached

RECEIVED
FEB 2 11 10 AM '94
OIL
AREA

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title District Superintendent Date 1-25-94

(This space for Federal or State office use)

Approved by [Signature] Title Petroleum Engineer Date 2/24/94
Conditions of approval, if any:

- SEE ATTACHED -

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

WATER ANALYSIS REPORT

Lab ID No. :

Analysis Date: JANUARY 25, 1994

Company : PPMI
 Field :
 Lease/Unit : MIDWEST FEDERAL G #1
 Well ID. :
 Sample Loc.:

Sampled By : Pro-Kem
 Sample Date: 1-25-94
 Salesperson: W.H.FORT
 Formation :
 Location :

CATIONS	MG/L	MEQ/L	ANIONS	MG/L	MEQ/L
Calcium as Ca++	5,139	257	Hydroxyl as OH-	0	0
Magnesium as Mg++	1,038	85	Carbonate as CO3=	0	0
Sodium as Na+ (Calc)	33,257	1,446	Bicarbonate as HCO3-	183	3
Barium as Ba++	Not Determined		Sulfate as SO4=	403	8
Oil Content	0		Chloride as Cl-	62,966	1,777

Total Dissolved Solids, Calculated:

103,005 mg/L.

Calculated Resistivity: 0.104 ohm-meters
 mg/L. Hydrogen Sulfide: Not Determined
 mg/L. Carbon Dioxide: Not Determined
 mg/L. Dissolved Oxygen: Not Determined

pH: 6.650
 Specific Gravity 60/60 F.: 1.078
 Saturation Index @ 80 F.: -0.210
 @ 140 F.: +0.715

Total Hardness: 17,088 mg/L. as CaCO3
 Total Iron: 15.00 mg/L. as Fe++

PROBABLE MINERAL COMPOSITION

COMPOUND	MG/L	MEQ/L
Ca(HCO3)2	242	3.0
CaSO4	572	8.4
CaCl2	13,629	245.6
Mg(HCO3)2	0	0.0
MgSO4	0	0.0
MgCl2	4,052	85.1
NaHCO3	0	0.0
Na2SO4	0	0.0
NaCl	84,529	1,445.9

Calcium Sulfate Scaling Potential
 Not Present

Estimated Temperature of Calcium
 Carbonate Instability is
 91 F.

Analyst C. Ward 01:29 PM



NEW MEXICO STATE LAND OFFICE

SALT WATER DISPOSAL EASEMENT

Renewal

APPLICATION NO. SWD-016

SALT WATER DISPOSAL
EASEMENT NO.

SWD-016

THIS AGREEMENT, dated this 6th day of January, 1994.

made and entered into between the State of New Mexico, acting by and through the undersigned, its Commissioner of Public Lands, hereinafter called the grantor, and Penroc Oil Corporation of Box 5970 Hobbs, NM 88240

Address

hereinafter called the grantee,

WITNESSETH:

That, whereas, the said grantee has filed in the Land Office an application for salt water disposal easement and has tendered the sum of \$ 500.00, together with the sum of \$30.00 application fee;

NOW, THEREFORE, in consideration of the foregoing tender, receipt of which is acknowledged, and the covenants herein, grantor does grant to the grantee a salt water disposal easement for the sole and only purpose of underground disposal of salt water produced in connection with oil and gas operations, together with the right to make such reasonable use of the land as may be necessary to dispose of said salt water. Said easement shall cover the following described lands:

INSTITUTION	SECTION	TOWNSHIP	RANGE	SUBDIVISION	ACRES
Wat. Res.	3	10S	34E	Portion Within NW $\frac{1}{4}$ SW $\frac{1}{4}$	2.50

TO HAVE AND TO HOLD said lands and privileges hereunder for a term of One years from the date first above written, subject to all terms and conditions hereinafter set forth:

1. Grantee shall pay the grantor the sum of \$ 500.00 annually, in advance.
2. With the consent of the grantor and payment of a fee of \$10.00, the grantee may surrender or relinquish this salt water disposal easement to the grantor; provided, however, that this surrender clause shall become absolutely inoperative immediately and concurrently with the filing of any suit in any court or law or equity by the grantor or grantee or any assignee to enforce any of the terms of this salt water disposal easement.
3. The grantee, with the prior written consent of the grantor, may assign his salt water disposal easement in whole only. Upon approval of the assignment, in writing, by the grantor, the grantee shall stand relieved from all obligations to the grantor with respect to the lands embraced in the assignment, and the grantor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the grantor as to such tracts.
4. The grantor may cancel this salt water disposal easement for non-payment of annual consideration or for violation of any of the terms and covenants hereof; provided, however, that before any such cancellation shall be made, the grantor must mail to the grantee or assignee, by registered mail, addressed to the post office address of such grantee or assignee, shown by the records, a thirty-day notice of intention to cancel said salt water disposal easement, specifying the default for which the salt water disposal easement is subject to cancellation. No proof of receipt of notice shall be necessary and thirty days after such mailing, the grantor may enter cancellation unless the grantee shall have sooner remedied the default.
5. The grantee shall furnish copies of records and such reports and plats of his operations, including any and all data relating to geological formations as the grantor may reasonably deem necessary to his administration of the lands.
6. Grantee may make or place such improvements and equipment upon the land as may reasonably be necessary to dispose of salt water, and upon termination of this salt water disposal easement for any reason, grantee may remove such improvements and equipment as can be removed without material injury to the premises; provided, however, that all sums due the grantor have been paid and that such removal is accomplished within one year of the termination date or before such earlier date as to the grantor may set upon thirty days written notice to the grantee. All improvements and equipment remaining upon the premises after the removal date, as set in accordance with this paragraph, shall be forfeited to the grantor without compensation. All pipelines constructed hereunder shall be buried below plow depth.

7. This salt water disposal easement is made subject to all the provisions and requirements applicable thereto which are to be found in various acts of the legislature of New Mexico and the rules of the Commissioner of Public Lands of the State of New Mexico, the same as though they were fully set forth herein, and said laws and rules, so far as applicable to this salt water disposal easement, are to be taken as a part hereof.

8. All the obligations, covenants, agreements, rights and privileges of this salt water disposal easement shall extend to and be binding and inure to the benefit of the lawful and recognized assigns or successors in interest of the parties hereto.

9. Grantee shall post with grantor a bond or undertaking in an amount required by grantor in favor of the owner of improvements lawfully located upon the lands herein to secure payment of damage, if any, done to such improvements by reason of grantee's operations.

10. Payment of all sums due hereunder shall be made at the office of the Commissioner of Public Lands, 310 Old Santa Fe Trail, P. O. Box 1148, Santa Fe, New Mexico 87504-1148.

11. Grantee, including his heirs, assigns, agents, and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, and ecology. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the grantor as herein provided or as otherwise permitted by law.

12. Grantee shall save and hold harmless, indemnify and defend the State of New Mexico, the Commissioner of Public Lands, and his agent or agents, in their official and individual capacities, of and from any and all liability claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the operations of grantee hereunder, off or on the hereinabove described lands, or the presence on said lands of any agent, contractor or sub-contractor of grantee.

IN WITNESS WHEREOF, the State of New Mexico has hereunto signed and caused its name to be signed by its Commissioner of Public Lands, thereunto duly authorized with the seal of his office affixed, and the grantee has signed this agreement to be effective the day and year above written.

AFFIRMATION OF GEOLOGIC, ENGINEERING & HYDROLOGIC INVESTIGATION: I hereby affirm that available geologic and engineering data have been examined and no evidence has been found of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

STATE OF NEW MEXICO
Ray Powell
 BY: Ray Powell, M.S., D.V.M.
 COMMISSIONER OF PUBLIC LANDS

Mohammed Yamin Merchant
 GRANTEE

STATE OF _____)
 COUNTY OF _____) ss.

(PERSONAL ACKNOWLEDGMENT)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____

STATE OF _____)
 COUNTY OF _____) ss.

(ACKNOWLEDGMENT BY ATTORNEY-IN-FACT)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, as attorney-in-fact on behalf of _____

STATE OF New Mexico)
 COUNTY OF Lea) ss.

(ACKNOWLEDGMENT BY CORPORATION)

The foregoing instrument was acknowledged before me this 17th day of December, 1993, by Mohammed Yamin Merchant, Resident
 of POMPOC OIL CORPORATION (NAME) (TITLE)
 (CORPORATION)

My Commission Expires: 9/19/95

Beth L. Rinehart
 NOTARY PUBLIC
Beth L. Rinehart