

New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department

1625 French Drive, Hobbs, NM 88240
2040 South Pacheco, Santa Fe, New Mexico 87505



Data Management Program
"Embracing 21st Century Technology"

11-May-00

GANDY CORP
1008 W BROADWAY
HOBBS NM 88240-

OGRID 8426

Attention: Regulatory Department

Re: Current Status of Oil and Gas Well(s)

Dear Sirs:

Division records indicate that you are the current operator of the following described oil or gas wells(s) in New Mexico. Upon review of our records, apparently there has been a continuous, minimum one year period in which production volumes greater than zero have not been reported or, no report has been sent to the Division on Form C-115 as required by Division Rule 1115.

In an attempt to update our records and ascertain the nature of the non-reporting, the Division requests that you supply the following information:

1. Is your company the current operator of these oil or gas well(s)?
2. Are these well(s) active and currently being produced? If not, have the well(s) been temporarily abandoned, converted to injection, etc., and the proper paperwork filed with the appropriate District Office?
3. Are the produced volumes being reported to the Division on Form C-115?
4. If the well(s) are not currently being produced, does your company plan to reinstitute production operations on these well(s) in the near future?

If the subject well(s) have been shut-in longer than one (1) year and/or in a non-reporting status, the Division will require the well(s) to be brought into compliance with the Oil Conservation Division Rules and Regulations.

Please direct a copy of this letter with the provided response areas completed within 45 days to the Hobbs District Office.

If you should have any questions, please contact Ms. Karen Sharp at 505-393-6161 (x108) at the Hobbs District Office.

If the nature of the problem is reporting, we will contact your representative _____ (name)
at (_____) _____ (area code/number).

Your cooperation is appreciated,

New Mexico Oil Conservation Division Staff

Responses should only correct wrong information. If all data indicated is correct for a particular well, no response entries should be made on that line. If all information is correct, please initial here _____ and return a copy of this letter in its entirety. The following are ONGARD codes for Well Type:

Valid Well Types: O = Oil, G = Gas, I = Injection, S = Salt Water Disposal, M = Miscellaneous

(Please refer to Rules 201, 202 and 203 for definitions of proper P and A and TA procedures.)

*For the purpose of this letter, "Inactive" is defined as 1) no production reports, 2) a prolonged period of reporting 0 [zero] production or, 3) a prolonged period of the well being shut-in.

LEAVELLE

Well No.	API Number	Location	Well Type	Years Inactive*
001	30025268540000	B 23 16 S 35 E	G	6+

Response: Current Operator? ☐ Yes ☒ No Our records indicate the Current Type to be: / /
Well is Producing ☐ TA'd? ☐ Plugged? ☐ Shut-In? ☐ Convert to Inj/SWD ☐ Date of Action Checked

reserve gnt
partially torn down

right next to Gandy caliche pits





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

March 19, 2001

Gandy Corporation

PO Box 827

Tatum, NM 88267

RE: Leavelle # 1

UL B, Section 23, T16S, R35E

API # 30-025-26854

A review of our records and recent inspections show that the above referenced well has been shut in for an extended period of time. Order R-9210 states that an operator can not leave a well shut in longer than a year. The following options are available for the future of the above well.

1. Restore the well to service.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the wells, proceed with plugging on a timely basis after the proposal has been evaluated, amended and or approved.

To avoid further action, we request that you exercise one of the above options no later April 19, 2001. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TA status.

Very truly yours

OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Billy E. Prichard".

Billy E. Prichard

Deputy Inspector, District 1

505 393-6161 Ext 107

505 369-6412 Cellular

bprichard@state.nm.us

Cc:

Chris Williams

Gary Wink

Sylvia Dickey

file

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 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, P. O. Box 2088, Santa Fe, New Mexico 87501 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.

RECEIVED

MAR 16 1992

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: Gandy Corporation
Address: P. O. Box 827, Tatum, NM 88267
Contact party: Dale Gandy Phone: 396-4948
- 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:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 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.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological 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 source 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 source 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: Marc Wise Title Agent
Signature: [Signature] Date: 3/4/92
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

Manzano Oil Corp.
P. O. Box 571
Roswell, NM 88202

4. Article Number
P 119 159 378

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

5. Signature — Addressee

6. Signature — Agent

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

9. Date of Delivery

10. Addressee's Address (ONLY if requested and fee paid)

11. Addressee's Address (ONLY if requested and fee paid)

12. Addressee's Address (ONLY if requested and fee paid)

13. Addressee's Address (ONLY if requested and fee paid)

14. Addressee's Address (ONLY if requested and fee paid)

15. Addressee's Address (ONLY if requested and fee paid)

16. Addressee's Address (ONLY if requested and fee paid)

17. Addressee's Address (ONLY if requested and fee paid)

18. Addressee's Address (ONLY if requested and fee paid)

19. Addressee's Address (ONLY if requested and fee paid)

20. Addressee's Address (ONLY if requested and fee paid)

21. Addressee's Address (ONLY if requested and fee paid)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

LARJON
P. O. Box 827
Tatum, NM 88267

4. Article Number
P 119 159 377

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

5. Signature — Addressee

6. Signature — Agent

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

9. Date of Delivery

10. Addressee's Address (ONLY if requested and fee paid)

11. Addressee's Address (ONLY if requested and fee paid)

12. Addressee's Address (ONLY if requested and fee paid)

13. Addressee's Address (ONLY if requested and fee paid)

14. Addressee's Address (ONLY if requested and fee paid)

15. Addressee's Address (ONLY if requested and fee paid)

16. Addressee's Address (ONLY if requested and fee paid)

17. Addressee's Address (ONLY if requested and fee paid)

18. Addressee's Address (ONLY if requested and fee paid)

19. Addressee's Address (ONLY if requested and fee paid)

20. Addressee's Address (ONLY if requested and fee paid)

21. Addressee's Address (ONLY if requested and fee paid)

P 119 159 378

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

Sent to
Manzano Oil Corp.

Street and No.

P.O., State and ZIP Code
Box 571, Roswell, NM 88202

Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75

Postmark or Date

PS Form 3800, Feb. 1982

EXHIBIT L

P 119 159 380

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

Sent to
Conoco, Inc.

Street and No.
10 Desta Dr.

P.O., State and ZIP Code
Midland, TX 79705

Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75

Postmark or Date

PS Form 3800, Feb. 1982

EXHIBIT L

P 119 159 377

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

Sent to
LARJON

Street and No.

P.O., State and ZIP Code
Box 827, Tatum, NM 88267

Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75

Postmark or Date

PS Form 3800, Feb. 1982

P 119 159 383

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

Sent to
Petrus

Street and No.
12377 Merit Dr., St. 1600

P.O., State and ZIP Code
Dallas, TX 75251

Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75

Postmark or Date

PS Form 3800, Feb. 1982

P 119 159 379
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

UNITED STATES POSTAL SERVICE

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to Mesa Oper. Ltd. Ptnshp.	
Street and No.	
P.O., State and ZIP Code 79189-2009 Box 2009, Amarillo, TX	
Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75
Postmark or Date	

EXHIBIT L

P 119 159 381
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to R. C. Jeter	
Street and No. 1412 Lanham	
P.O., State and ZIP Code Midland, TX 79701	
Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75
Postmark or Date	

EXHIBIT L

P 119 159 382
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to Yates Petroleum	
Street and No. 105 S. Fourth St.	
P.O., State and ZIP Code Artesia, NM 88210	
Postage	\$.75
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	1.00
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.75
Postmark or Date	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: (Extra charge)

Mesa Operating Ltd. Ptnshp.
P. O. Box 2009
Amarillo, TX 79189-2009

4. Article Number
P 119 159 379

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

6. Signature - Agent

7. Date of Delivery
MAR - 5 1992

8. Addressee's Address (ONLY if requested and fee paid)

S. Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

518-952-6861 *O.D.G.S.N.* 6861 Apr '11 1988

26-5-3

7. Date of Delivery

6. Signature - Agent

5. Signature - Addressee

Always obtain signature of addressee or agent and DATE DELIVERED.

4. Article Number
P 119 159 381

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

3. Article Addressed to: (Extra charge)

R. C. Jeter
1412 Lanham
Midland, TX 79701

2. Restricted Delivery (Extra charge)

1. Show to whom delivered, date, and addressee's address.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: (Extra charge)

Yates Petroleum
105 S. Fourth St.
Artesia, NM 88210

4. Article Number
P 119 159 382

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

6. Signature - Agent

7. Date of Delivery
03-05-92

8. Addressee's Address (ONLY if requested and fee paid)

S. Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

518-952-6861 *O.D.G.S.N.* 6861 Apr '11 1988

26-5-3

7. Date of Delivery

6. Signature - Agent

5. Signature - Addressee

Always obtain signature of addressee or agent and DATE DELIVERED.

4. Article Number
P 119 159 381

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

3. Article Addressed to: (Extra charge)

R. C. Jeter
1412 Lanham
Midland, TX 79701

2. Restricted Delivery (Extra charge)

1. Show to whom delivered, date, and addressee's address.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

RECEIVED

MAR 10 1992

20 MAR 1992

FORM C-108 ATTACHMENT - PAGE 1

APPLICATION FOR AUTHORIZATION
TO CONVERT TO DISPOSAL

LEAVELLE NO. 1

ITEM III - A. Well Data :

(See Exhibit "A" - CURRENT WELLBORE STATUS SCHEMATIC)
(See Exhibit "B" - PROPOSED DISPOSAL WELLBORE SKETCH)

- (1) Lease Name : Leavelle
Well No. : 1
Location : 660' FNL & 1980' FEL
Section 23, T-16S, R-35E
Lea County, New Mexico
- (2) Surface Casing : 13 3/8", 86#, H-40 set @ 423'
Hole Size : 17 1/2"
Cement : 500 sxs Class "C"
Cement Top : Surface (Visual)
- Inter. Casing : 8 5/8", 24 & 32# K-55 set @ 4260'
Hole Size : 11"
Cement : 1200 sxs Howco Lite w/
15# salt + 200 sxs
Class "C"
Cement Top : Surface (Visual)
- Prod. Casing : 5 1/2", 17 & 23#, N-80 & S-95
set @ 12160'
Hole Size : 7 7/8"
Cement : 500 sxs Class "H"
Cement Top : 9800' (Calculated)
- (3) Tubing : 2 7/8", 6.7#, N-80, LT&C
Internally Plastic Coated
Set @ 10,000'
- (4) Packer : Baker Model "R" Nickel Plated
Set @ 10,000'

B. Formation Data

- (1) Formations: Pool:
a. Wolfcamp North Shoe Bar Wolfcamp
b. Morrow Townsend Morrow (Gas)
c. Mississippian Townsend Morrow (Gas)
d. Devonian North Shoe Bar Devonian
- (2) Intervals:
a. Wolfcamp - 10298'-10308' Perforated
b. Morrow - 11676'-11684' Perforated
c. Mississippian - 12091'-12102' Perforated
d. Devonian - 12160'-12700' Open Hole

FORM C-108 ATTACHMENT - PAGE 2

LEAVELLE NO. 1

ITEM III - B. Formation Data (Continued)

(3) Purpose of well : Drilled for production

(4) Depths of perforated intervals:

- a. Miss. perms 12091'-12102' (Not squeezed)
- b. Morrow perms 11932'-34', 11936'-49' (Squeeze cemented with 40 sxs. Tested to 2000 psig)
- c. Morrow perms 11676'-84' (Not squeezed)
- d. Wolfcamp perms 10298'-10308' (Not squeezed)
- e. Devonian open hole 12160'-12700' (PROPOSED)

(5) Next higher zone of production (above Wolfcamp) :
Abo at 8225'.

Next lower zone of production (below Devonian) :
None

ITEM V - Map of area with radius of review : See Exhibit "C"

ITEM VI - Well Data - All wells in Area of Review:

- (1) Manzano Oil Corporation
Mesa State No. 1
1930' FSL & 1880' FEL, Sec. 14, T-16S, R-35E
Spud: 2/21/84 Elev.: 3973' GL T.D.: 10600'
Casing: 13 3/8" @ 507' w/525 sxs (17 1/2" hole size)
8 5/8" @ 4400' w/1900 sxs (11" hole size)
5 1/2" @ 10600' w/350 sxs (7 7/8" hole size)
Perfs: 10434'-10442' Wolfcamp
Potential: 44 BOPD, 0 BWPD, 88 MCFPD

No plugged wells in Area of Review:

ITEM VII - Proposed Operation :

- (1) Average daily rate of injection = 4000 BWPD
Maximum daily rate of injection = 5000 BWPD
- (2) Type system: Closed
- (3) Average injection pressure anticipated = 0 psig
Maximum injection pressure anticipated = 1000 psig

FORM C-108 ATTACHMENT - PAGE 3

LEAVELLE NO. 1

ITEM VII - Proposed Operation (Continued)

- (4) Source of injection fluid : All water in general area requested to be hauled and disposed by Gandy Corp.

Water Analysis : See Exhibits "D" thru "H" for water analysis on Abo, Devonian, San Andres and Wolfcamp formations producing in the Hobbs and Lovington area. For compatibility see Exhibit "I" for water analysis of Shoe Bar Wolfcamp water production.

ITEM VIII - Geological Data :

- (1) Wolfcamp: 10298'-308' (10'). Limestone, white to tan, crystalline, dolomite streaks.
- (2) Morrow: 11676'-84' (8'). Sandstone, white to tan, fine to coarse grained, angular, poorly sorted.
- (3) Mississippian: 12091'-102' (11'). Sandstone, gray white, coarse, angular, poorly sorted.
- (4) Devonian: 12425'-12700' (275'). Dolomite, gray, coarse crystalline, small vuggy porosity.
- (5) Source of fresh water: Ogallala with base at 150'.

ITEM IX - Stimulation Program: Treat Devonian with 2000 gallons of 15% NEFE HCl acid.

ITEM X - Logs filed with NMOCD 12/18/80 by U.S. Operating, Inc.

Last Test: 10/2/83 Pump 3 Bbls oil, 2 Bbls water, 6 Mcf gas in 24 hours.

ITEM XI - Fresh Water Wells:

- (1) Water well #1 is located approximately 1/2 mile east in NW/4 NW/4 of Section 24, T-16S, R-35E. See Exhibit "J" for water analysis.
- (2) Water well #2 is located at the Leavelle ranch house, 1/2 mile southeast. See Exhibit "K" for water analysis.

ITEM XII - All geological and engineering data indicates that there are no open faults or other hydrologic connection between the proposed injection zones and any fresh water source.

FORM C-108 ATTACHMENT - PAGE NO. 4

LEAVELLE NO. 1

ITEM XIII - Proof of Notice

- (1) Certified Mail Receipts (See Exhibit "L")
- (2) Legal Advertisement (See Exhibit "M")
- (3) Surface Owner: LARJON
P.O. Box 827
Tatum, NM 88267
- (4) Leasehold Operators within area of review:

Manzano Oil Corp.
P.O. Box 571
Roswell, NM 88202

Mesa Operating Ltd. Partnership
P.O. Box 2009
Amarillo, TX 79189-2009

Conoco, Inc.
10 Desta Dr. West
Midland, TX 79705

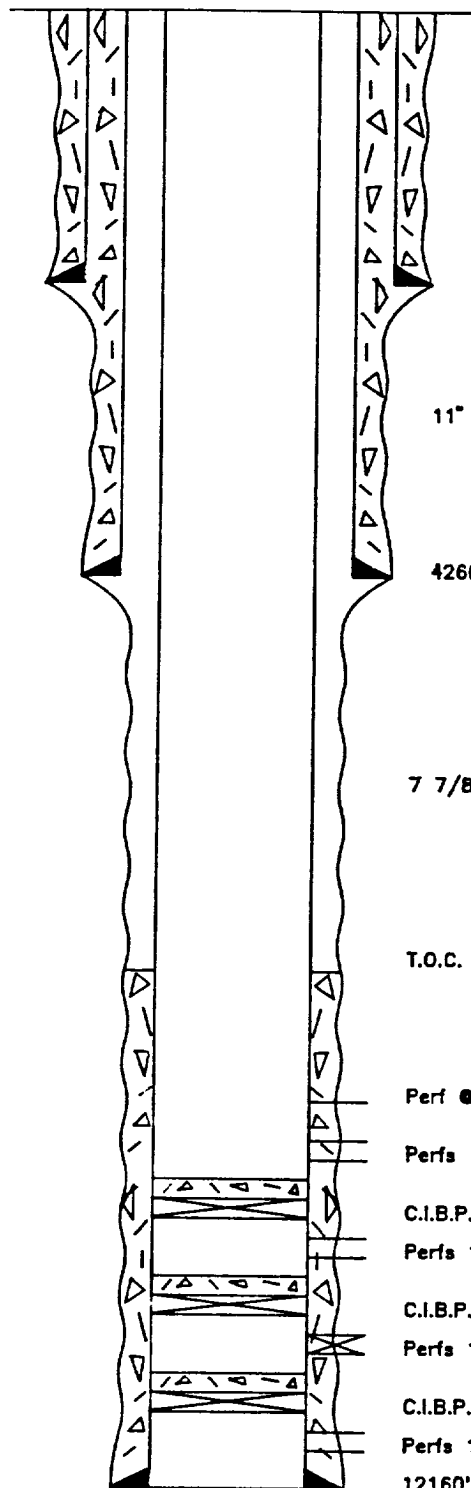
R. C. Jeter
1412 Lanham
Midland, TX 79701

Yates Petroleum
105 S. Fourth St.
Artesia, NM 88210

Petrus
12377 Merit Drive, Suite 1600
Dallas, TX 75251

Elevation 3984.5' RKB

LEAVELLE NO. 1
CURRENT WELLBORE STATUS
2/26/92



17 1/2" Hole Size

423' - 13 3/8", 86#, H-40 Casing
Cemented w/500 sxs Class "C" + add.
Circulated 75 sxs to surface

11" Hole Size

4260' - 8 5/8", 24 & 32#, K-55 Casing
Cemented w/1200 sxs Howco Lite followed by 200 sxs Class "C" + add.
Circulated 250 sxs to surface

7 7/8" Hole Size

T.O.C. @ 9750' (Calculated)

Perf @ 10240' and squeeze w/100 sxs cement

Perfs 10298'-308' (Wolfcamp)

C.I.B.P. @ 11250' w/20' cement

Perfs 11676'-84' (Morrow "A")

C.I.B.P. @ 11800' w/30' cement

Perfs 11932'-34', 11936'-49' (Morrow) - Squeezed 12/80

C.I.B.P. @ 12050 w/30' cement

Perfs 12091'-12102' (Mississippian)

12160' - 5 1/2", 17 & 23#, N-80 & S-95 Casing
Cemented w/ 500 sxs Class "H" + 5#/sx KCL + add.

T.D. 12160'

GANDY CORPORATION

Leavelle No. 1

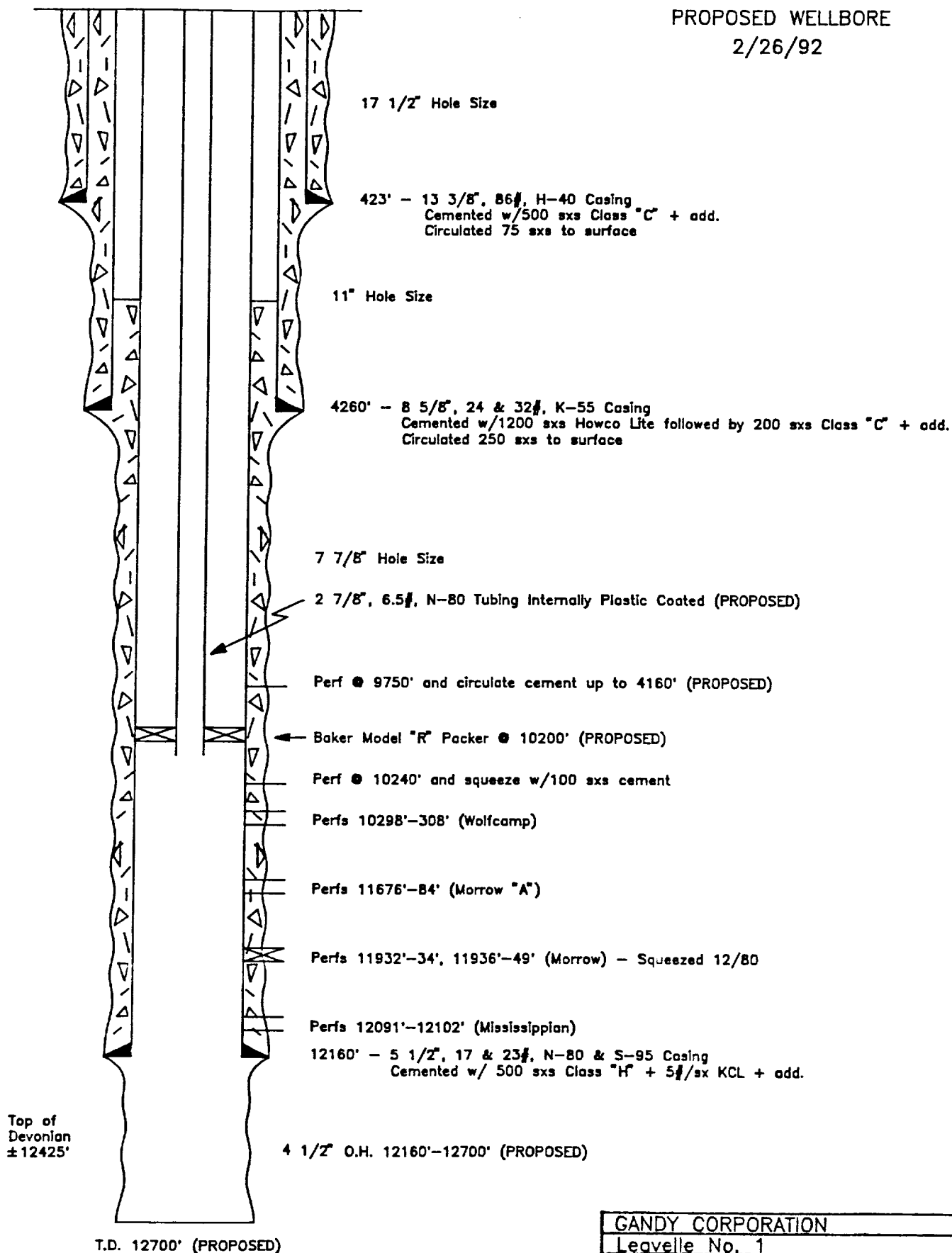
660' FNL & 1980 FEL

Section 23, T-16S, R-35E

Lea County, New Mexico

Elevation 3984.5' RKB

LEAVELLE NO. 1
PROPOSED WELLBORE
2/26/92



GANDY CORPORATION
Leavelle No. 1
660' FNL & 1980 FEL
Section 23, T-16S, R-35E
Lea County, New Mexico

HALLIBURTON DIVISION LABORATORY

HALLIBURTON COMPANY

LOVINGTON, NEW MEXICO

LABORATORY WATER ANALYSIS

No. NEM-375-195

To MEM Petroleum CorporationDate 2-15-1975900 Building of the SouthwestMidland, Texas 79701

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____

Date Rec. 2-15-1975Well No. State 1Depth 8750Formation LEOCounty LEAField Shoebar, S. LovingtonSource D.S.T. 4 3

Tool Tor

Middle Recovery

Tor of Fluid

Resistivity 0.134 @ 62°F0.141 @ 62°F0.397 @ 62°FSpecific Gravity 1.04pH 6.45Calcium (Ca) 2250

*MPL

Magnesium (Mg) 570Chlorides (Cl) 34,50033,5009,000Sulfates (SO₄) 3,500Bicarbonates (HCO₃) 903Soluble Iron (Fe) N11

Fit

Res. 0.375 @ 62°FChloride: 10,000

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: Adam Salameh

HALLIBURTON COMPANY

cc:

By _____

CHEMIST

NOTICE

EXHIBIT D

HALLIBURTON DIVISION LABORATORY

HALLIBURTON COMPANY

MIDLAND DIVISION

LOVINGTON, NEW MEXICO 88260

LABORATORY WATER ANALYSIS

No. _____

To _____

Date _____

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec _____

Well No _____ Depth 14,170-14,304' Formation Devonian

County _____ Field North Lovington Source _____

Resistivity 0.222 @ 75° F.

Specific Gravity 1.024

pH 6.4

Calcium (Ca) 1,440 *MPL

Magnesium (Mg) 116

Chlorides (Cl) 18,000

Sulfates (SO₄) 1,500Bicarbonates (HCO₃) 746

Soluble Iron (Fe) 50

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: _____

HALLIBURTON COMPANY

cc:

By _____

DIVISION CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

EXHIBIT E

HALLIBURTON DIVISION LABORATORY
HALLIBURTON COMPANY
MIDLAND DIVISION
LOVINGTON, NEW MEXICO 88260
LABORATORY WATER ANALYSIS

No. _____

To _____

Date 12-27-63

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____

Well No. _____ Depth 4485-90' Formation San AndresCounty _____ Field East Hobbs Source _____

Resistivity ND

Specific Gravity 1.035

pH 6.9

Calcium (Ca) 2,000

*MPL

Magnesium (Mg) 1,170

Chlorides (Cl) 22,200

Sulfates (SO₄) 4,000Bicarbonates (HCO₃) 770

Soluble Iron (Fe) Nil

Sodium, Na 12,100

Remarks: _____

*Milligrams per liter

Respectfully submitted,

Analyst: _____

HALLIBURTON COMPANY

cc: _____

By _____

DIVISION CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

EXHIBIT F

HALLIBURTON DIVISION LABORATORY

HALLIBURTON COMPANY

MIDLAND DIVISION

LOVINGTON, NEW MEXICO 88260

LABORATORY WATER ANALYSIS

No. _____

To _____

Date 3-6-64

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation San AndresCounty _____ Field South Lovington Source _____

Resistivity _____ ND

Specific Gravity _____ 1.017

pH _____ 6.6

Calcium (Ca) _____ 1,520 *MPL

Magnesium (Mg) _____ 290

Chlorides (Cl) _____ 12,200

Sulfates (SO₄) _____ 3,100Bicarbonates (HCO₃) _____ ND

Soluble Iron (Fe) _____ Nil

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: _____

HALLIBURTON COMPANY

cc:

By _____

DIVISION CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

EXHIBIT C

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

MIDLAND DIVISION

LOVINGTON, NEW MEXICO 88260

LABORATORY WATER ANALYSIS

No. 477-466

To W.A. Moncrief, Jr.

Date 5-11-77

400 Metro Building

Midland, Texas 79701

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by

Date Rec. 6-11-77

Well No. State "8" #1

Depth 9975-9995'

Formation Lower Holocene

County Lea

Field W. Lovington

Source DST #1

Tool Tor

Fit Sample

Resistivity 0.231 @ 74°F.

1.10 @ 74°F.

Specific Gravity 1.026

pH 6.8

Calcium (Ca) 2.550

*MPL

Magnesium (Mg) 270

Chlorides (Cl) 18.000

2.400

Sulfates (SO₄) 1.900Bicarbonates (HCO₃) 270

Soluble Iron (Fe) Nil

Ton of Recovery - 100% Oil - API Gr. @ 60° - 35.2

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

By

CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to person or property.

ROSWE GEOLOGICAL SOCIETY SY: POSIUM

Author: Charles D. Preston
Affiliation: Mesa Petroleum Co.
Date: August 1976

Field Name: Shoebar Wolfcamp, North
Location: T-16-S, R-35, 36-E, Sec. 13, 14, 7, 18
County & State: Lea County, New Mexico

Discovery Well: Pubco #1 Skelly-State, NE/4 SE/4 Section 14, T-16-S, R-35-E: TD 13,200',
IPF 336BOPD, 588 MCFPD, completed 3-16-73.

Exploration Method Leading to Discovery:

Seismic Strawn and Devonian prospect, subsurface Wolfcamp, Morrow and Strawn prospect.

Pay Zone:

Formation Name: Wlfc. Three Brothers Depth & Datum Discovery Well: 10,456 (-6469)

Lithology Description:

Limestone, white to tan, crystalline, fossiliferous, dolomitic in part, clean. Porosity is intercrystalline, micromoldic, and vuggy.

Approximate average pay: 78 gross 24 net Productive Area 1280 acres

Type Trap: Stratigraphic-Wolfcamp Three Brothers shelf edge crosses a broad ridge. This is a younger, parallel shelf edge similar to the one which produces in Townsen field. Field limited by stratigraphic updip and downdip pinchout of porosity and by oil/water contact off of broad ridge.

Reservoir Data:

8 % Porosity, 0.1-20 Md Permeability, 15-35 % Sw, 65-85 % So

Oil: API Gr @ 60° F. - 40

Gas: Gr 0.870

Water: Na+K, 15.5 cc, Nil Mg, 97,000 cl, 950 so₄, 185 co₂, or HCO₃, 40 F₂

Specific Gravity 1.108 Resistivity 0.060 ohms @ 71 °F

Initial Field Pressure: 4120 psi @ 10,530 datum Reservoir Temp. 158 °F

Type of Drive:

Solution g s

Normal Completion Practices:

Perf with 2 JSOF, acidize with 3000 gallons.

Type completion:

Flowing and pumping

Normal Well Spacing 160 Acres

Deepest Horizon Penetrated & Depth:

Devonian 13,200 (-9213)

Other Producing Formations in Field:

Strawn and Morrow

Production Data:

YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN MMCF		YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN MMCF	
		Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE			Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE
74	OIL	3		175,696	175,696		OIL				()
	GAS			327	327		GAS				
75	OIL	5		181,885	357,581		OIL				
	GAS			314	641		GAS				
	OIL						OIL				
	GAS						GAS				
	OIL						OIL				
	GAS						GAS				

HALLIBURTON DIVISION LABORATORY
HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

NoW85-445

To _____

Date 8-2-85

For: N.M. Oil & Gas Comm.

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by Slick Starling Date Rec. _____

Well No. _____ Depth _____ Formation _____

County _____ Field _____ Source _____

0.5 miles E. of 660 FNL & 1980 FEL / Level water well 0.75 miles S.E. of well

Resistivity 4.7 @ 75°F 4.7 @ 75°F

Specific Gravity 1.002 @ 60°F 1.002 @ 60°F

pH 6.4 XXX 6.2

Calcium (Ca) 500 500 *MPL

Magnesium (Mg) nil nil

Chlorides (Cl) 500 500

Sulfates (SO₄) nil nil

Bicarbonates (HCO₃) 240 240

Soluble Iron (Fe) nil nil

Water Well No. 1 Water Well No. 2

Remarks: _____ *Milligrams per liter

Respectfully submitted,

Analyst: Lee Hisey

HALLIBURTON COMPANY

cc:

By 
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

EXHIBITS J & K



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

3-17-92

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	_____
SWD	<input checked="" type="checkbox"/>
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Gandy Corp. Leavelle #1-B 23-16-35
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

March 5, 1993

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Gandy Corporation
P O Box 827
Tatum, NM 88267

RE: Leavelle #1
Unit B, Sec. 23, T16S, R35E

Gentlemen:

Please advise the status of the proposed conversation of the above-referenced well to a salt water disposal well as approved by R-8150.

The last report we have covers the squeezing of the Wolfcamp which was filed July 24, 1992. If you do not have plans to complete this work in the near future you may need to bring this well into compliance with our TA rule.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

ed

cc: Marc L. Wise
Lynx Petroleum Consultants Inc.
P.O. Box 3325
Hobbs, NM 88241



JS
OK

GANDY CORPORATION

OILFIELD SERVICES

P. O. BOX 827

TATUM, NEW MEXICO 88267

(505) 398-4960

March 14, 1993

Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

Mr. Jerry Sextion:

Re: Leavelle ~~State~~ #1

Dear Mr. Sextion:

I would like to apply for an extension to either plug or work over the above lease, I would like a period of eight months from the 4/1/93 to began work. During this period if I am able to either plug or work over the well I will notify you when the procedures began.

Yours truly,

Dale Gandy
Dale Gandy

approval extended to 1-1-94

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period

of _____

One weeks.
Beginning with the issue dated

Mar. 5, 1992
and ending with the issue dated

Mar. 5, 1992

Kathi Bearden
General Manager

Sworn and subscribed to before

me this 6 day of

March, 1992

Russell Pannish
Notary Public.

My Commission expires _____

Aug. 5, 1995
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE

March 5, 1992

Gandy Corporation, P.O. Box 827, Tatum, NM 88267, (505) 396-4948, (Dale Gandy — Representative), is proposing to convert the Leavelle No. 1 to a commercial produced water disposal well. The subject well is located 660' FNL & 1980' FEL, Section 23, T-16S, R-35E, Lea County, NM. A maximum of 5000 barrels of water per day will be disposed of, with a maximum pressure of 1000 psig. Injection will be in the Wolfcamp (10298'-10308') Morrow (11676'-11684'), Mississippian (12091'-12102') and Devonian open hole (12160'-12700'). Interested parties must file an objection with the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87501, within 15 days.