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

6/19/97

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

SWD-671

RE: Proposed:
MC _____
DHC _____
NSL _____
NSP _____
SWD X
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Manzano Oil Corp Hudgens #1-J 11-16S-36E
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Need to wait till July 4, 1997 to see if any objections are delivered the OCD. Also, they need to show which papers the advertisement was placed and a receipt for placing the advertisements.

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501

FORM C-108
Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no

II. Operator: Manzano Oil Corporation

Address: P.O. Box 2107, Roswell, NM 88202-2107

Contact party: David Sweeney/Donnie Brown Phone: (505) 623-1996

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: David Sweeney Title Drlg & Prod Superintendent

Signature: David Sweeney Date: 6/16/97

* 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. _____

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.

C-108
Application for Authorization to Inject
Manzano Oil Corporation
Lea County, New Mexico

I. The purpose of this application is to request authorization to dispose of produced water into the Wolfcamp formation in the above mentioned well.

Manzano Oil Corporation plans to reenter the above well. Formerly the North American Royalties, Hudgens #1, tie into the 5-1/2" csg in the well @ 5500' and tie it back into the 8-5/8" casing. Perforate the Wolfcamp porosity and inject produced water.

II. Operator: Manzano Oil Corporation
P.O. Box 2107
Roswell, NM 88202-2107
David Sweeney or Donnie Brown

III. Well Data: See Exhibit A.

IV. This is not an expansion of an existing project.

V. See attached map. Exhibit B.

VI. See Exhibit C.

VII.
1. Proposed average daily rate of produced water for disposal will be approximately 400 BWPD. The maximum rate will be approximately 800 BWPD.
2. This will be a closed system.
3. The average injection pressure will be approximately 500 psi. The maximum injection pressure will be approximately 2100 psi. A step rate test will be run if needed.
4. The sources for the disposal water will be Manzano Oil Corporation's "SV" Chipshot #1, "SV" Chipshot #2, "SV" Double Eagle #1 and "SV" Big Bertha #1, located in Sec 11, T16S, R36E. A water analysis of the produced water is attached as Exhibit D.
5. Not applicable.

VIII.
1. The proposed zone for water disposal is the Wolfcamp zone at a drilled depth of 9750' to 10,970'. The porous interval is from a depth of (10,284-10,294') (10,607-10,700'). This zone is composed of limestone and dolomite.
2. A survey of drinking water sources in the area was done with the New Mexico State Engineering office. It was found that the static water level average as of Jan 1995 was 62.70', to an average depth of 200'. There are 65 wells in Sec 11, 10 wells in the SW/4NW/4 of Section 12 and 9 wells in the N/2N/2 of Sec 14, T16S, R36E. These wells are a combination of domestic and irrigation and are located in the Ogalalla formation. There are no underground sources of water underlying the Wolfcamp formation.

IX. The proposed injection intervals will be acidized w/2000 to 5000 gal of 20% HCl acid.

X. Logging and test data have been submitted under North American Royalty's, Hudgens #1 well.

XI. Attached are two copies of fresh water analysis, one of an irrigation well located in the NW/4SW/4 and one is a domestic well located in the NW/4NE/4 of Sec 11, T16S, R36E, Lea County, NM.

XII. All relevant data was examined to determine if any open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water existed, it was determined that these geological and engineering conditions do not exist in the area.

C-108
Application for Authorization to Inject
Manzano Oil Corporation
Lea County, New Mexico

(The purpose of this application is to request authorization to dispose of produced water into the Wolfcamp formation in the Hudgens #1 well.)

XIII. Proof of Notice:

1. Certified letters sent to the surface owner and offset operators are attached as Exhibit E.
2. Copy of legal advertisement attached as Exhibit F.

XIV. Certification is signed.

Offset Operators:

Chesapeake Energy Corporation
P.O. Box 18496
Oklahoma City, OK 73154

Matador Petroleum
415 W. Wall, Suite 1101
Midland, TX 79701

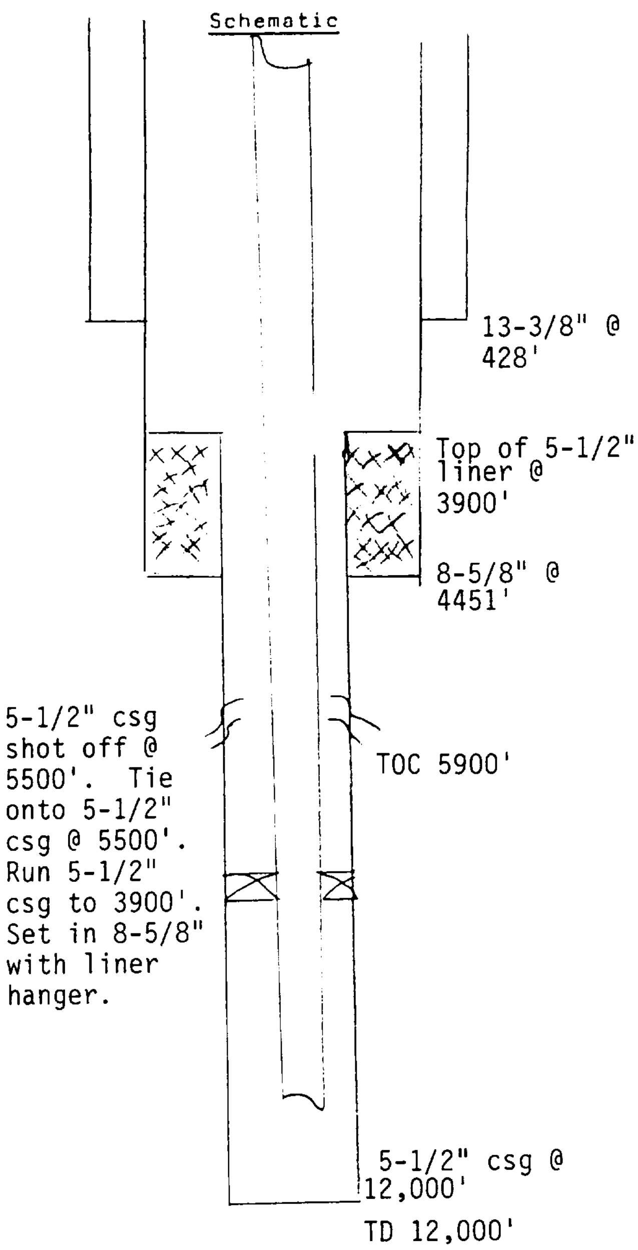
Land Owner:

Mr. Lyman Ray Graham
2606 West 8th
Roswell, NM 88201

INJECTION WELL DATA SHEET

Manzano Oil Corporation		Hudgens		
OPERATOR		LEASE		
1	1980'FSL & 1980'FEL	11	16 South	36 East
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP	RANGE

Schematic



Tabular Data

Surface Casing

Size 13-3/8 " Cemented with 375 sx.

TOC Surface feet determined by circl 50 sks

Hole size 17-1/2"

Intermediate Casing

Size 8-5/8 " Cemented with 1675 sx.

TOC Surface feet determined by circl 150 sks

Hole size 11

Long string

Size 5-1/2 " Cemented with 1255 sx.

TOC 5900' feet determined by Temp Survey

Hole size 7-7/8

Total depth 12,000'

Injection interval

10,284-10,294 feet to 10,607-10,700 feet

(perforated [illegible])

Drill out CIBP @ 7000' and 10,196'. Set CIBP @ 10,800'. Test Wolfcamp perforations 10,285-10,293' and Wolfcamp porosity 10,607-10,700'. Inject into Wolfcamp.

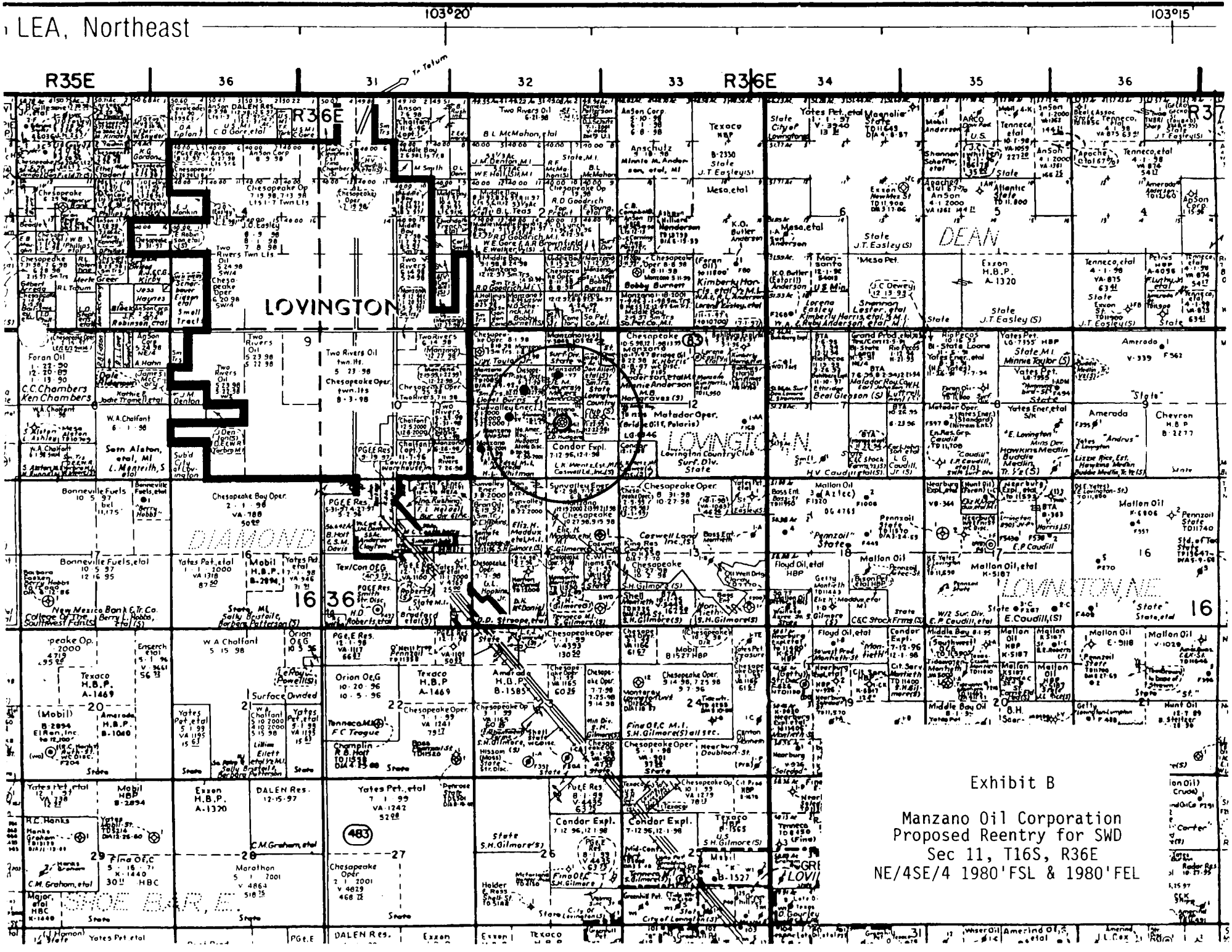
Tubing size 2-3/8" lined with plastic (material) set in a Baker Loc-Set (brand and model) packer at 10,250 feet (or describe any other casing-tubing seal).

Other Data

1. Name of the injection formation Wolfcamp
2. Name of Field or Pool (if applicable) ______
3. Is this a new well drilled for injection? /_/ Yes /X/ No

   If no, for what purpose was the well originally drilled? Wildcat, Hydrocarbons produced from the Atoka, attempted completion in Wolfcamp.
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) Atoka (11,754-11,762') (11,792-11,817'); Wolfcamp (10,285-10,293'). P&A 3/15/91 as follows: CIBP @ 10,500' w/cmt, CIBP @ 10,196' w/cmt, 100' cmt plug 6000 to 7000'; 100' cmt plug @ 5511' to 5411 100' cmt plug 4351 to 4451'; 100' cmt plug @ 1700' to 1800' 100 sks @ surface.
5. Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. Overlying - None; Underlying - Strawn.

Exhibit A


LEA, Northeast
103°20'
103°15'
R35E
R36E
36
31
32
33
34
35
LOVINGTON
DIAMOND
DEAN
LOVINGTON
LOVINGTON NE
Exhibit B
Manzano Oil Corporation
Proposed Reentry for SWD
Sec 11, T16S, R36E
NE/4SE/4 1980'FSL & 1980'FEL

Manzano Oil Corporation
Hudgens #1
Well Data Information
Exhibit C - Page 1

Well Name	Operator	Type	Spud Reentry	Completion	Total Depth	Producing Zone	Perforations	Completion Information	Other Comments
"SV" Chipshot #1 K, Sec 11, T16S, R36E	Manzano Oil Corporation	Oil	6/08/96	9/13/96	11,954'	Wolfcamp Strawn	11,578-11,590'	13-3/8" 48,54&61# @ 414' w/350 sks cmt (circ 30 sks) 8-5/8" 32# @ 4352' w/1800 sks (circ 270 sks) 5-1/2" 17 & 20# @ 11,954' w/880 sks. 2 stage. TOC 1st - 9430', 2nd - 4720' 2-7/8" tbg @ 10,496'	
"SV" Double Eagle #1 G, Sec 11, T16S, R36E	Manzano Oil Corporation	Oil	10/30/96	1/14/97	12,000'	Wolfcamp	10,596-10,613'	13-3/8" 48# @ 405' w/350 sks cmt (circ 50 sks) 8-5/8" 32# @ 4346' w/1700 sks (circ 150 sks) 5-1/2" 17 & 20# @ 12,000' w/700 sks cmt. 2 stage. TOC 1st - 9200', 2nd - 6200'.	
"SV" Big Bertha #1 F, Sec 11, T16S, R36E	Manzano Oil Corporation	Oil	5/09/97	N/A	10,900'	N/A	N/A	13-3/8" 72# @ 406' w/375 sks cmt (circl 17 sks) 8-5/8" 32# @ 4173' w/550 sks (circ 250 sks) 5-1/2" 17# @ 10,895' w/575 sks	This well is being completed as of this application. Manzano anticipates a Wolfcamp completion.

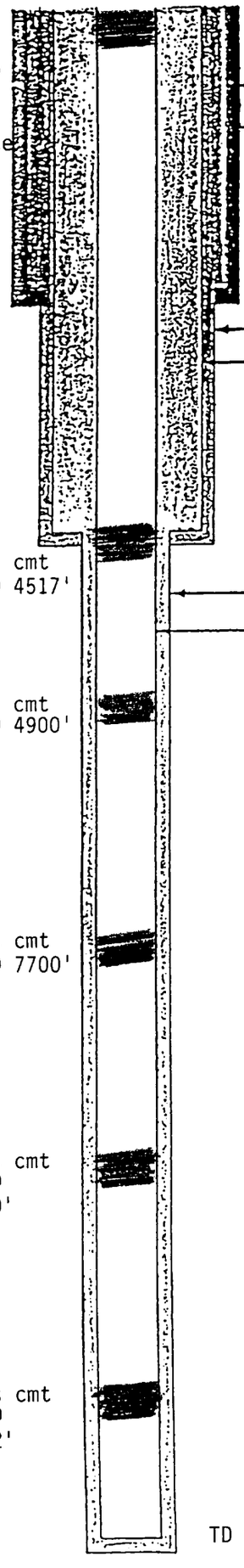
WELL BORE SKETCH

OPERATOR/LEASE/WELL: North American Royalty's LCC Well #1

LOCATION: Unit I, NE/4SE/4, 2160'FSL & 510'FEL, Sec 11, T16S, R36E, Lea County, NM

FIELD/POOL: NE Lovington / Penn

PLUG BACK DEPTH: _____ KB: _____ ELEVATION: 3881'GR



Hole Size: 17-1/2"

SURFACE CASING:
Size: 13-3/8" Weight: 48# Grade: _____
Set at: 438' w/ 420 Sacks cement
Circulate: 75 Sacks to surface
Remarks: _____

Hole Size: 11"

INTERMEDIATE CASING:
Size: 8-5/8" Weight: 24 & 32# Grade: _____
Set at: 4515' w/ 2330 Sacks cement
Circulate: 100 Sacks to surface
Cement Top: Calc _____ Temp Survey: _____
Remarks: _____

Hole Size: 7-7/8"

PRODUCTION CASING:
Size: N/A Weight: _____ Grade: _____
Set at: _____ w/ _____ Sacks cement
Cement Top: Calc: _____ Temp Survey: _____
Remarks: _____

TUBING:
Size: _____ Weight: _____ Grade: _____
Number of Jts: _____ Set at: _____
Packer set at: _____
Bottom Arrangement: _____

RODS:
Size: _____ Number: _____
Gas Anchor Set at: _____
Pump set at: _____
Arrangement: _____

Well plugged & abandoned 4/23/87.

Laboratory Services, Inc.
1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Water Analysis

COMPANY Manzano Oil Company

SAMPLE Chip Shot Battery-Well Head Sample
SAMPLED BY Van

DATE TAKEN 4/21/97
REMARKS Corrosive Water

Barium as Ba	0	
Carbonate alkalinity PPM	0	
Bicarbonate alkalinity PPM	96	
pH at Lab	6.1	
Specific Gravity @ 60°F	1.116	
Magnesium as Mg	11,252	
Total Hardness as CaCO3	19,400	
Chlorides as Cl	103,429	
Sulfate as SO4	1,100	
Iron as Fe	21.25	
Potassium	22.75	
Hydrogen Sulfide	0	
Resistivity Ohms	0.074	@ 21.1° C
Total Dissolved Solids	147,500	
Calcium as Ca	8,148	
Nitrate	1.5	

Results reported as Parts per Million unless stated

Langelier Saturation Index -0.31

Analysis by: Rolland Perry
Date: 4/22/97

5/6

Laboratory Services, Inc.
1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Water Analysis

COMPANY	Manzano Oil Corporation
	Attention: Mr. Donnie Brown
SAMPLE	"SV" Double Eagle #1
SAMPLED BY	Rolland Perry
DATE TAKEN	3/7/97 1:30 PM
REMARKS	Wolfcamp (Bata Reef)

Barium as Ba	0	
Carbonate alkalinity PPM	0	
Bicarbonate alkalinity PPM	124	
pH at Lab	6.35	
Specific Gravity @ 60°F	1.113	
Magnesium as Mg	13,108	
Total Hardness as CaCO3	22,600	
Chlorides as Cl	109,430	
Sulfate as SO4	1,100	
Iron as Fe	35.5	
Potassium	24.13	
Hydrogen Sulfide	0	
Resistivity Ohms	0.073	@ 24.0° C
Total Dissolved Solids	158,750	
Calcium as Ca	9,492	
Nitrate	4.5	

Results reported as Parts per Million unless stated

Langelier Saturation Index 0.39

Analysis by: Rolland Perry
Date: 3/7/97

Laboratory Services, Inc.
1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Water Analysis

COMPANY Manzano Oil Company

SAMPLE Fresh Water Well (IRRIGATION well) NW/4 SW/4 Sec 11, T 16S R 36E L&A CO.

SAMPLED BY Rolland Perry

DATE TAKEN 8/9/96 8:20 AM

REMARKS

Barium as Ba	0	
Carbonate alkalinity PPM	0	
Bicarbonate alkalinity PPM	348	
pH at Lab	6.25	
Specific Gravity @ 60°F	1.021	
Magnesium as Mg	218	
Total Hardness as CaCO3	376	
Chlorides as Cl	144	
Sulfate as SO4	95	
Iron as Fe	0.25	
Potassium	0.19	
Hydrogen Sulfide	0	
Resistivity Ohms	12,000	@ 20.5 C
Total Dissolved Solids	600	
Calcium as Ca	158	
Nitrate	0	

Results reported as Parts per Million unless stated

Langelier Saturation Index -0.98

Analysis by: Rolland Perry
Date: 8/9/96

Exhibit E - Page 2

ARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Domestic Water well NW/4 NE/4 Sec 11 T16S R36E Page ___ of ___

Company Name: City of Lovington	**BILL TO** PO #:
Project Manager: Charles Kelley	Company:
Address: 214 S. Love St.	Attn:
City: Lovington State: NM Zip: 88260	Address:
Phone #:	City:
Fax #:	State: Zip:
Project #:	Phone #:
Project Name:	Fax #:
Project Location:	

LAB I.D. #	Sample I.D.	COMP(C) OR GRAB(G)	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	PRESERVATION: ACID:	ICE / COOL	OTHER:	SAMPLING: DATE	TIME	ANALYSIS REQUEST: TDS									
H2837-1	Sample 4 - nw[illegible]			X											✓									

Sampler Relinquished:	Date: Time:	Received By:	Phone Result ☐ Yes ☐ No Additional Fax #: Fax Results: ☐ Yes ☐ No REMARKS:
Relinquished By:	Date: 3/11/97 Time: 8:00	Received By: (Lab Staff) Amy Hill	
Delivered By: (Circle One) UPS - Fed Ex - Bus - Other:		Sample Condition: Cool ☐ Yes ☐ No; Intact ☐ Yes ☐ No	CHECKED BY: (Initials)

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
CITY OF LOVINGTON
ATTN: CHARLES KELLY
214 S. LOVE ST.
LOVINGTON, NM 88260
FAX TO:

Receiving Date: 03/11/97
Reporting Date: 03/13/97
Project Number: NOT GIVEN
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Analysis Date: 03/13/97
Sampling Date: 03/11/97
Sample Type: GROUNDWATER
Sample Condition: COOL, INTACT
Sample Received By: AH
Analyzed By: AH/BC

LAB NUMBER	SAMPLE ID	TPH (mg/L)
H2837-1	SAMPLE #4 NAVERRETE	<1.00
Quality Control		203
True Value QC		200
% Recovery		101
Relative Percent Difference		1.6

METHOD: EPA 418.1, 3510, 3540, or 3550; Infrared Spectroscopy

Chemist

3/13/97
Date

1283 FAX

P 382 741 486

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail *(See reverse)*

Sent to Chesapeake Energy	
Street & Number P.O. Box 18496	
Post Office, State, & ZIP Code Oklahoma City, OK 73154	
Postage	$ 1.01
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	$ 3.46
Postmark or Date	

PS Form 3800, April 1995

Hudgens SWD

P 382 741 487

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail *(See reverse)*

Sent to Matador Petroleum	
Street & Number 415 W. Wall Ste 1101	
Post Office, State, & ZIP Code Midland TX 79701	
Postage	$ 1.01
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	$ 3.46
Postmark or Date	

PS Form 3800, April 1995

Hudgens SWD

P 382 741 485

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail *(See reverse)*

Sent to Lyman Graham	
Street & Number 2606 W. 8th	
Post Office, State, & ZIP Code Roswell NM 88201	
Postage	$ 1.01
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	$ 3.46
Postmark or Date	

PS Form 3800, April 1995

Hudgens SWD

Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

June 16, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Matador Petroleum Corporation
415 W. Wall Street, Suite 1101
Midland, TX 79701

Re: Hudgens Well #1
Lea County, New Mexico

Gentlemen:

In accordance with the requirements of the New Mexico Oil Conservation Division Form C-108 (Application for Authorization to Inject), please find attached a copy for Manzano Oil Corporation's, Hudgens #1 well, located in Section 11, T16S, R36E, Lea County, New Mexico.

If you have any questions, please feel free to contact me at 505/623-1996.

Very truly yours,

David Sweeney

DS:ah

Enclosure

Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

June 16, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chesapeake Energy Corporation
P.O. Box 18496
Oklahoma City, OK 73154

Re: Hudgens Well #1
Lea County, New Mexico

Gentlemen:

In accordance with the requirements of the New Mexico Oil Conservation Division Form C-108 (Application for Authorization to Inject), please find attached a copy for Manzano Oil Corporation's, Hudgens #1 well, located in Section 11, T16S, R36E, Lea County, New Mexico.

If you have any questions, please feel free to contact me at 505/623-1996.

Very truly yours,

David Sweeney

David Sweeney

DS:ah

Enclosure

Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

June 16, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lyman Ray Graham
2606 West 8th
Roswell, NM 88201

Re: Hudgens Well #1
Lea County, New Mexico

Dear Mr. Graham:

In accordance with the requirements of the New Mexico Oil Conservation Division Form C-108 (Application for Authorization to Inject), please find attached a copy for Manzano Oil Corporation's, Hudgens #1 well, located in Section 11, T16S, R36E, Lea County, New Mexico.

If you have any questions, please feel free to contact me at 505/623-1996.

Very truly yours,

David Sweeney

David Sweeney

DS:ah

Enclosure

Manzano Oil Corporation, P. O. Box 2107, Roswell, New Mexico 88202-2107 proposes to re-enter the plugged and abandoned North American Roaylty's Hudgens #1 well located 1980' FSL & 1980' FEL of Section 11, T16S, R36E, Lea County, New Mexico and convert it to a water disposal well. Produced water will be injected into the Wolfcamp zone at a depth of 10,284' - 10,700' with a maximum of 800 BWPD at a maximum of 2100 psi. All interested parties opposing the aforementioned must file objections with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days. Additional information can be obtained by contacting Donnie Brown or David Sweeney at (505) 623-1996.