STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12/10/99

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 _____
WFX _____
PMX X

Gentlemen:

I have examined the application for the:

Altura Energy Ltd N Hobbs SR/SA Unit # 332-J-30-18-38
Operator Lease & Well No. Unit S-T-R
30-025-25954

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed

Altura
ENERGY LTD

COPY

December 3, 1999

State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Expansion of Pressure Maintenance Project
North Hobbs (Grayburg/San Andres) Unit
Hobbs; Grayburg – San Andres Pool
Well No. 332
Letter J, Section 30, T-18-S, R-38-E
Lea County, NM

Gentlemen:

Altura Energy LTD respectfully requests administrative approval for expansion of the subject pressure maintenance project by converting North Hobbs (G/SA) Unit Well No. 332 from production to water injection. Administrative Order No. R-6199 granted November 30, 1979, authorized Shell Western E&P Inc. (Altura's predecessor) to conduct the North Hobbs (G/SA) Unit pressure maintenance project within the Hobbs; Grayburg – San Andres Pool.

The following data is submitted in support of this request:

- Form C-108 with miscellaneous data attached
- Form C-102
- A map reflecting the location of the proposed injection well (No. 332). The map identifies all wells located within a two-mile radius of the proposed injector and has a one-half mile radius circle drawn around the proposed injection well which identifies the well's Area of Review.
- An injection well data sheet
- A tabulation of data on all wells of public record within the well's Area of Review
- Schematics of plugged wells that are within the well's Area of Review
- A list of Offset Operators and Surface Owners (these parties have been notified of this application by certified mail)

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P.O. BOX 4294 • HOUSTON, TX 77210-4294
PHONE 281-552-1000 • FAX 281-552-1200

Altura
ENERGY LTD.

- An Affidavit of Publication and copy of the legal advertisement that was published in the county in which the well is located.

Your favorable consideration of our request will be appreciated. If you have any questions of a technical nature, please call David Nelson at (505) 397-8211. Otherwise, please call me at (281) 552-1158.

Very truly yours,

Mark Stephens

Mark Stephens
Business Analyst (SG)

CC: Oil Conservation Division
Hobbs District Office
P.O. Box 1980
Hobbs, NM 88241

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, NM 88201

Offset Operators (see attached list)

Surface Owners (see attached list)

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NERGY, MINERALS AND NATURAL
ESOURCES DEPARTMENT

2040 SOUTH PACHECO
SANTA FE, NEW MEXICO 87505

FORM C-108
Revised 4-1-98

APPLICATION FOR AUTHORIZATION TO INJECT

PURPOSE: _____Secondary Recovery __X__Pressure Maintenance _____Disposal _____Storage
Application qualifies for administrative approval? __X__Yes _____No

I. OPERATOR: Altura Energy LTD

ADDRESS: P.O. Box 4294, Houston, TX 77210-4294

CONTACT PARTY: Mark Stephens, Rm. 338-B, WL2 PHONE: (281) 552-1158

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.

V. Is this an expansion of an existing project? __X__Yes _____No
If yes, give the Division order number authorizing the project: R-6199 (11/30/79)

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 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.

*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: Mark Stephens TITLE: Business Analyst (SG)

SIGNATURE: Mark Stephens DATE: 12/3/99

* 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: Hearing October 3, 1979; Case No. 6653, Order No. R-6199

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, 2040 South Pacheco, 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.

Attachment To Form C-108
Miscellaneous Data

North Hobbs (Grayburg/San Andres) Unit
Well No. 332
Letter J, Section 30, T-18-S, R-38-E
Lea County, New Mexico

III. Well Data

B.(5) Next higher oil zone -- Grayburg @ +/- 3700'
Next lower oil zone -- Glorieta @ +/- 5300'

VII. Proposed Operation

1. Average Injection Rate 1500 BWPD
Maximum Injection Rate 4000 BWPD

2. Closed Injection System

3. Average Injection Pressure 500 PSIG
Maximum Injection Pressure 805 PSIG (approx.)
(will not exceed 0.2 psi/ft. to top perforation)

4. Source Water – San Andres Produced Water
(Champion Technologies, Inc. analysis attached)

IX. Stimulation Program

Acid treatment of unitized perforations will be performed during conversion work

XI. Fresh Water Sample Analysis
(Laboratory Services, Inc. analysis attached – 4 ea.)

XII. Altura Energy LTD affirms that available geologic and engineering data has been examined resulting in the finding of no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-28954	31920	HOBBS; GRAYBURG - SAN ANDRES

Property Code	Property Name	Well Number
19520	NORTH HOBBS G/SA UNIT	332

OGRID No.	Operator Name	Elevation
157984	ALTURA ENERGY LTD.	3811

Surface Location

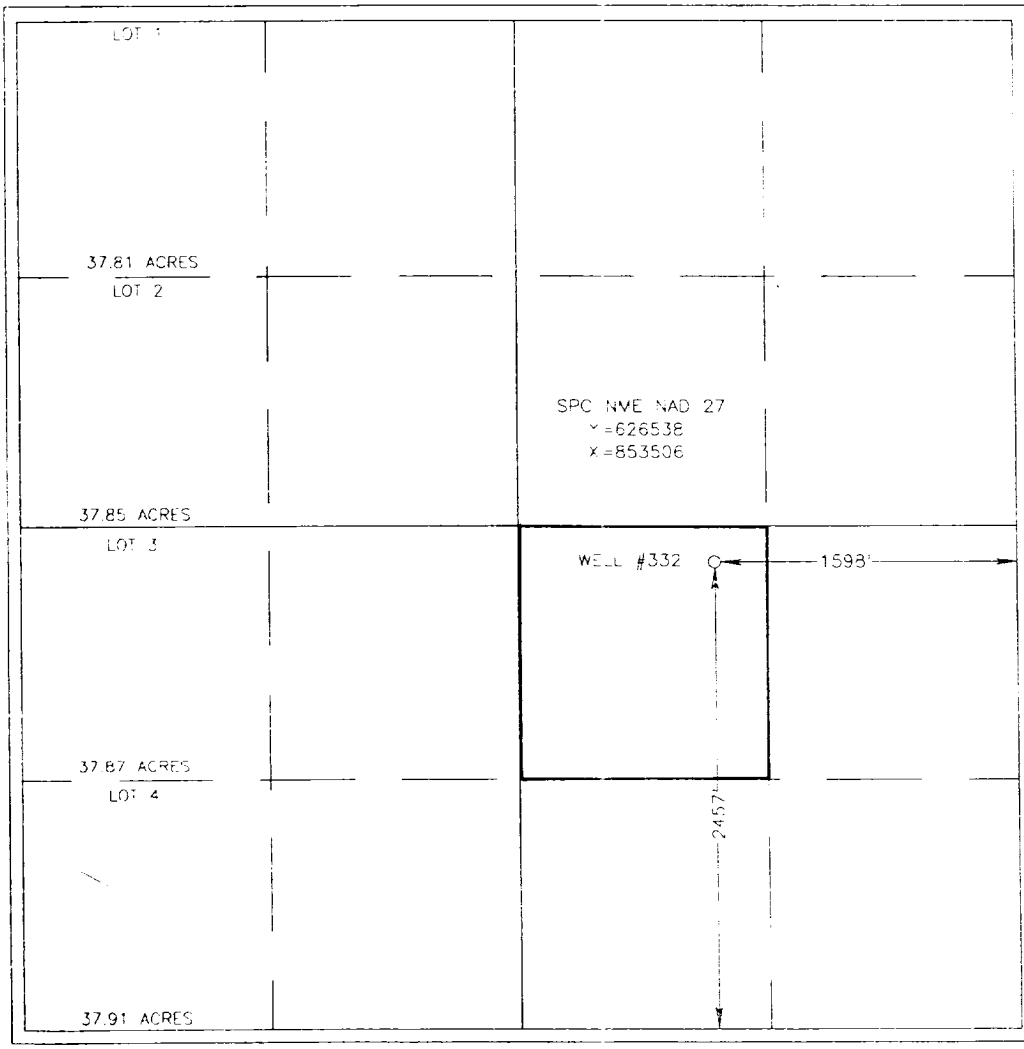
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	30	18 S	38 E		2457	SOUTH	1598	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Mark Stephens
Signature

Mark Stephens
Printed Name

Business Analyst (SG)
Title

December 3, 1999
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.

JULY 20, 1999

Date Surveyed

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
3239

7-27-99

99-11-0588

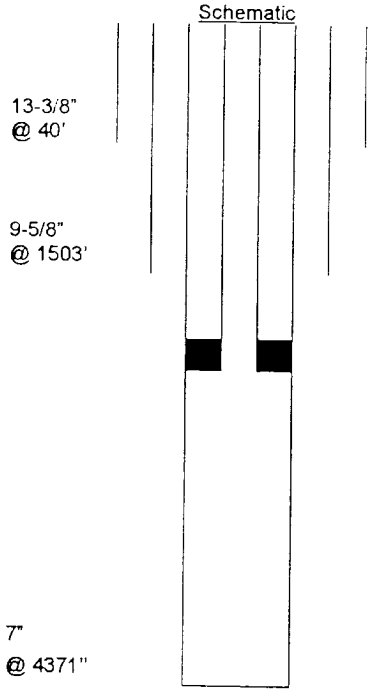
Certificate No. RONALD J. EIDSON 3239
GARY L. EIDSON 12641
JOHN W. McDONALD 12185

INJECTION WELL DATA SHEET

Operator	Lease	County
Altura Energy LTD.	North Hobbs G/SA Unit	Lea

Well No.	Footage Location	Section	Township	Range	Unit Letter
30-332	2470 FSL & 1600 FEL	30	18-S	38-E	J

Schematic



Tubular Data

Surface Casing
Size 13-3/8 Cemented with _____ sxs.
TOC _____ Determined by _____
Hole size _____

Intermediate Casing
Size 9-5/8 Cemented with 650 sxs.
TOC Surf Determined by Circ.
Hole size _____

Long string Casing
Size 7" Cemented with 800 sxs.
TOC Surf Determined by Circ.
Hole size _____

Total depth 4371'

Injection interval
4000 feet to 4350 feet

Completion type Perforations

Tubing size 2-7/8" lined with Fiberglass Epoxy set in a
Giberson Uni VI packer at ±3950 feet
(brand and model)

Other Data

1. Name of the injection formation: San Andres

2. Name of field or Pool: Hobbs (Grayburg/San Andres) Pool

3. Is this a new well drilled for injection? Yes No
If no, for what purpose was the will originally drilled? San Andres producer

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)
None

5. Give the depth to and name of any overlying and/or underlying oil and gas zones (pools) in this area.
Grayburg – 3700, Glorieta - 5300

LIST OF OFFSET OPERATORS & SURFACE OWNERS

North Hobbs (Grayburg/San Andres) Unit
Well No. 332
Letter J, Section 30, T-18-S, R-38-E
Lea County, New Mexico

Offset Operators

Altura Energy LTD
P.O. Box 4294
Houston, TX 77210-4294

Exxon Company, U.S.A.
Attn: Joint Interest Operations
P.O. Box 4707
Houston, TX 77210-4707

Getty Oil Company
P.O. Box 797035
Dallas, TX 75379-7035

Charles E. Seed
Houston Ranch
Lovington Hwy.
Hobbs, NM 88240

Saga Petroleum LLC
415 W. Wall, Suite 835
Midland, TX 79701

Surface Owners

Grimes Land Co.
P.O. Box 5102
Hobbs, NM 88241