Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| N.M. Oil Cons. | FORM APPROVED OMB No. 1004-0135 |
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| 1625 N Frankeschuial No. | |

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an Hobbs, NN₁₆ 8824 abandoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reverse side 7. If Unit or CA/Agreement, Name and/or No. 1. Type of Well Well Name and No. 🔯 Oil Well 🔲 Gas Well 🔲 Other Love 3 Federal No. 1 Name of Operator 9. API Well No. Brothers Production Company, Inc. 3a. Address 3b. Phone No. (include area code) 3じこいほぎ - 3(だる\$ 10. Field and Pool, or Exploratory Area (915)682-2516P.O. Box 7515, Midland, TX 79708 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Young, Bone Spring North 11. County or Parish, State 2310' FNL & 330' FWL Section 3, Township 18S, Range 32E, Unit Letter E Lea 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Acidize ☐ Deepen ■ Production (Start/Resume) ☐ Water Shut-Off ☐ Notice of Intent Alter Casing Fracture Treat Well Integrity Reclamation Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection ☐ Plug Back Water Disposal Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) This is a request for approval to dispose of produced water as per attachment. 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Danny M. Brock Production Superintendent Signature Date 01-30-01 THIS SPACE FOR FEDERAL OR STATE OFFICE USE (ORIG. SGD.) ALEXIS C. SWOBODA PETROLEUM ENGINEERa.c MAR Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

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Water Production & disposal Information

| completed: |
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| 1. Name of formations producing water on the lease. Bone Springs Sand |
| 2. Amount of water produced from all formations in barrels per day |
| 3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. (one sample will suffice if the water is commingled) |
| 4. How water is stored on the lease, 500 bbl steel tank |
| 5. How water is moved to the disposal facility. trucked |
| 6. Identify the Disposal Facility by : |
| A. Facility operators name. Basin Alliance Corp. LLC |
| B. Name of facility or well name & number. Basin Alliance State AJ #1 |
| C. Type of facility or well (WDW)(WIW) etc. WDW |
| D. Location by 1/4 1/4 SW of NEsection 33 township 18S range 36E |
| 7. Attach a copy of the State issued permit for the Disposal Facility. |
| * Attached |
| Submit to this office, 414 West Taylor, Hobbs, NM 88240, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call me at 505-393-3612 if you need to further discuss this |

Notice.) Call me at 505-393-3612 if you need to further discuss this matter.

ENERGY AND MINERALS DEL CTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



CASE NO. 8817 Order No. R-8166

APPLICATION OF POLLUTION CONTROL, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 7th day of March, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Pollution Control, Inc., is the owner and operator of the L & B Oil Company Inc. State "AJ" Well No. 1, located 2310 feet from the North and East lines (Unit G), of Section 33, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico.
 - (3) The applicant proposes to utilize said well to commercially dispose of produced salt water into the Abo, Wolfcamp and Devonian formations, with injection into the open hole interval from approximately 5,000 feet to 12,164 feet.
 - (4) The well is completed from the surface to the top of the open hole injection interval at 5,000 feet in a manner that should adequately serve to protect any fresh water aquifers.
 - (5) The injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 4,950 feet; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved

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leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

- (6) The injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1000 psi.
- (7) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.
- (8) After commencing injection into the well, the operator should run an injection tracer survey in order to determine which formations are receiving the injected fluid.
- (9) Should the injection well ever cease to take water on a vacuum, the operator should be required to run an additional injection tracer survey after notifying the supervisor of the Division's district office in Hobbs of the date and time of the test.
- (10) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Abo, Wolfcamp and Devonian formations.
- (11) The operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the date and time of the mechanical integrity test and the injection tracer survey so that the same may be inspected and witnessed.
- (12) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (13) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Pollution Control, Inc., is hereby authorized to utilize its L & B Oil Company Inc. State "AJ" Well No. 1, located 2310 feet from the North and East lines in Unit G of Section 33, Township 18 South, Range 36 East, NMPM,

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Lea County, New Mexico, to dispose of produced salt water into the Abo, Wolfcamp and Devonian formations, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 4,950 feet, with injection into the open hole interval from approximately 5,000 feet to 12,164 feet;

PROVIDED HOWEVER THAT, the tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

- (2) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1000 psi.
- (3) Prior to commencing injection operations, the casing in the subject well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.
- (4) After commencing injection into the well, the operator shall run an injection tracer survey in order to determine which formations are receiving the injected fluid.
- (5) Should the injection well ever cease to take water on a vacuum, the operator shall be required to run an additional injection tracer survey after notifying the supervisor of the Division's Hobbs district office of the date and time of such test.
- (6) Copies of such tracer surveys shall be filed with both the Santa Fe and Hobbs offices of the Division.
- (7) The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Abo, Wolfcamp and Devonian formations.
- (8) The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the date and time of the mechanical integrity test and the injection tracer survey so that the same may be inspected and witnessed.
- (9) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the

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tubing, casing, or packer, in said well or the leakage of wate from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

- (10) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.
- (11) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

R. L. STAMETS, Director

SEAL

BASIN Alliance

Study AJ #1

SEC 33 + 185 R 36E

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