

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co.
P. 1986
Hobbs, NM 88241

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Chi Operating, Inc.

3. Address and Telephone No.

P.O. Box 1799 Midland, TX 79702 915-685-5001

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

467' FSL & 1980' FWL
Sec. 18-19S-33E

5. Lease Designation and Serial No.

LC-064790

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Mustang Fed #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Crazy Horse Delaware

11. County or Parish, State

Lea Co., NM

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

TYPE OF SUBMISSION

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

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ Dispose Water

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

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

- 1) Crazy Horse Delaware
- 2) 13 BPD
- 3) Attached
- 4) Water Tank
- 5) Truck
- 6) A. RayWestall Operating, Inc.
B. Loco Hills Water Disposal Company
C. Surface Facility (No Name)
D. SW/SM, Sec. 16, 17S-R30E Eddy County, NM
- 7) Attached

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

Signed [Signature] Title Operations Manager

Date 11-12-97

(This space for Federal or State office use)

LONG SIGA DAVID R. GLASS

Approved by _____
Conditions of approval, if any:

Title _____

Date NOV 24 1997

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side



Water Analysis

Date: 06-Nov-97

270A West County Road Hobbs, NM 88240

Phone (505) 392-3556 Fax (505) 392-7307

Analyzed For

Company	Well Name	Location	State
CHI	MUSTANG #1	Lea	New Mexico

Sample Source	Produced	Sample #	
Formation	DELAWARE	Depth	6800-7000 FT.
Specific Gravity	1.200	SG @ 60 °F	1.202
pH	5.85	Sulfides	Absent
Temperature (°F)	72	Reducing Agents	Present

Cations

Sodium (Calc)	in Mg/L	108,559	in PPM	90,285
Calcium	in Mg/L	2,800	in PPM	2,329
Magnesium	in Mg/L	1,200	in PPM	998
Soluble Iron (FE2)	in Mg/L	7.5	in PPM	6

Anions

Chlorides	in Mg/L	175,000	in PPM	145,542
Sulfates	in Mg/L	100	in PPM	83
Bicarbonates	in Mg/L	39	in PPM	32
Total Hardness (as CaCO3)	in Mg/L	12,000	in PPM	9,980
Total Dissolved Solids (Calc)	in Mg/L	287,706	in PPM	239,276
Equivalent NaCl Concentration	in Mg/L	240,066	in PPM	198,672

Scaling Tendencies

*Calcium Carbonate Index 109,312

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index

280,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks

Report #

1

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STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

AUG 3 1982

O. C. D.
ARTESIA, OFFICE

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7329 DE NOVO
Order No. R-6811-A

APPLICATION OF LOCO HILLS WATER
DISPOSAL COMPANY FOR AN EXCEPTION
TO ORDER NO. R-3221, AS AMENDED,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 14, 1982, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of July, 1982, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Loco Hills Water Disposal Company, seeks an order permitting the installation of a commercial salt water disposal facility whereby salt water would be disposed of into 15 acres of unlined surface pits to be located in the SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the matter came on for hearing at 9 a.m. on September 23, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets and, pursuant to this hearing, Order No. R-6811 was issued on October 30, 1981, which denied Loco Hills Water Disposal Company's application.

(4) That on November 25, 1981, application for Hearing De Novo was made by Loco Hills Water Disposal Company and the matter was set for hearing before the Commission.

Case No. 7321 de Novo
Order No. R-6811-A

(5) That the matter came on for hearing de novo on July 14, 1982.

(6) That Order (3) of Division Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(7) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(8) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(9) That the applicant seeks an exception to the provisions of the aforesaid Order (3) of Division Order No. R-3221, as amended, to permit the commercial disposal of produced salt water into the aforesaid pits at the site described above.

(10) That the applicant proposes to install and operate an effective system, composed of holding and separating tanks, and a skimming pit, for the removal of oily and solid wastes from the waters to be disposed of into said system.

(11) That there is no fresh water in the immediate vicinity of said disposal system, but there are wells producing fresh water some nine miles south of the proposed disposal pits.

(12) That the native soils underlying said pits will permit the vertical percolation of some of the waters disposed of in said system.

(13) That the vertical percolation of waters from said system should not endanger any fresh waters.

(14) That to ensure that waters percolating from said pits move only vertically, monitor wells should be drilled in a pattern as shown on Exhibit "A" designed to detect horizontal movement of water from said disposal area.

(15) That in the event salt water is detected in any monitor well, Case No. 7329 should be reopened within 90 days to permit applicant to appear and show cause why the authority to use said pits for water disposal should not be rescinded.

(16) That the maximum volume of produced water to be disposed of through said system should not exceed 2500 barrels per acre per month.

(17) That a freeboard of a minimum of three feet should be maintained at all times.

(18) That the granting of the application will not cause waste or impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Loco Hills Water Disposal Company, is hereby authorized to install and operate a 15-acre commercial salt water disposal facility to be located in the SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, said system to be limited to the maximum disposal of 2500 barrels per acre per month.

(2) That the operator shall install tanks and a skimming pit, sufficient to ensure that oil or other deleterious substances will not enter the disposal pits in harmful quantities.

(3) That a freeboard of a minimum of three feet will be maintained on all pits at all times.

(4) That monitor wells, as shown on Exhibit "A" attached to and made a part of this order, shall be drilled and equipped with perforated or slotted tubing/casing from a depth of four feet to total depth.

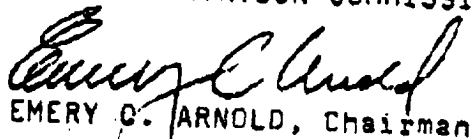
(5) That said monitor wells will be tested monthly to check for migration of the disposed salt water thereto and the results of these tests will be promptly delivered to the Artesia District Office of the Oil Conservation Division.

(6) That if disposed salt water is detected in any monitor well, Case 7329 will be reopened, within 90 days, to permit the applicant to appear and show cause why the disposal authority granted by this order should not be rescinded.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EMERY C. ARNOLD, Chairman

ALEX J. ARMISTO, Member


JOE D. RAMEY, Member & Secretary

S E A L

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