

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

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 West Pearl Queen Unit Injection Facility

2. Name of Operator

Pyramid Energy, Inc.

3. Address and Telephone No.

10101 Reunion Place, Suite 210, San Antonio, Texas 78216 (210) 308-8000

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

NE 1/4 of NE 1/4 of Section 32 T-19-S, R-35-E
Lea County New Mexico

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8910086170
14-18-001-8617

8. Well Name and No.

West Pearl Queen Unit

9. API Well No.

10. Field and Pool, or Exploratory Area

Pearl Queen

11. County or Parish, State

Lea, New Mexico

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

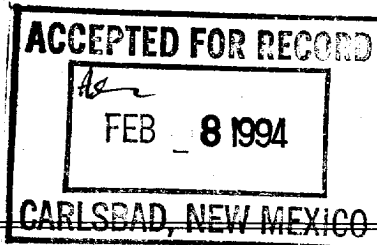
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other Discharge to emergency pit
☐ 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.)*

In late November, Pyramid experienced a discharge into the emergency pit at the captioned West Pearl Queen Unit Facility. All fluids were contained in the fiberglass lined emergency pit and no pollution occurred. The discharge consisted of heavy oil, paraffin and BS&W that had accumulated on top of the water storage tank along with produced saltwater. Cold weather at the time of the discharge caused the oil to solidify on top of the saltwater in the pit which made clean up at that time impractical. With better weather conditions, we have begun clean up operations and if weather permits, we will have the pit empty in 10-14 days. The fluids are being trucked to a reclamation facility where the recovered oil is sold and the saltwater disposed into an authorized disposal well. The emergency pit is located on State of New Mexico land and will be in compliance with New Mexico Conservation Commission Regulations when the fluids are removed.



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

Signed [Signature] Title Engineer

Date 1/13/94

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

GENERAL INSTRUCTIONS

Instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special in-

SPECIFIC INSTRUCTIONS

zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

Item 4—If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13—Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 351 et. seq., 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE — The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operations, on a Federal or Indian lease.

ROUTINE USES:

(1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.

(2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).

(3) Analyze future applications to drill or modify operations in light of data obtained and methods used.

(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION — Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that: This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.



LTR



Job separation sheet

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL & GAS COMMISSION
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Below is the information needed for approval to dispose of produced water as per Onshore Oil and Gas Order #7.

1. The formation producing the water to be disposed of is the Queen Sand.
2. The amount of water to be disposed of is 1,100 Bbls./day.
3. A current water analysis is attached.
4. Water produced from the unit is stored in a 1,000 Bbl. steel fiberglass lined tank.
5. Water is moved to the Disposal Facility through a pipeline from the Production Facility.
6. The produced water is disposed of into the West Pearl Queen Unit Injection System which is a Secondary Recovery Operation waterflooding the Queen Sand.

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

Signed Scott Shaw Title Engineer

Date 1/13/94

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Salameh
Conditions of approval, if any:

Title Petroleum Engineer

Date 2/8/94

- SEE ATTACHED -

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency be notified of any change in your method or location of disposal.
2. Compliance with all provisions of NTL-2B.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

InterChem

(915) 550-7027 - 3803 Mankins - Odessa, Tx. 79763
WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Pyramid Energy
Lease : West Pearl Queen Unit
Well No. :
Analysis:

Sample Loc. :
Date Sampled : 05-January-1994
Attention :
Chemical Co. : Pro-Kem, Inc.

ANALYSIS

1. pH 6.300
2. Specific Gravity 60/60 F. 1.128
3. CaCO₃ Saturation Index @ 80 F. +0.533
@ 140 F. +1.553

Dissolved Gasses

4. Hydrogen Sulfide Not Present
5. Carbon Dioxide Not Determined
6. Dissolved Oxygen Not Determined

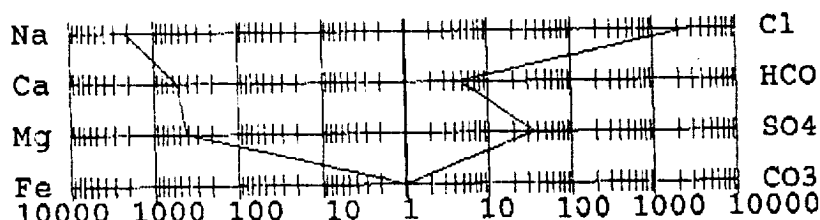
Cations

7. Calcium (Ca ⁺⁺)	10,120	/ 20.1 =	503.48
8. Magnesium (Mg ⁺⁺)	4,741	/ 12.2 =	388.61
9. Sodium (Na ⁺)	48,411	/ 23.0 =	2,104.83
10. Barium (Ba ⁺⁺)	Not Determined		

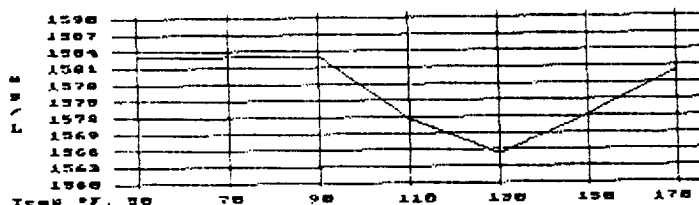
Anions

11. Hydroxyl (OH ⁻)	0	/ 17.0 =	0.00
12. Carbonate (CO ₃ ²⁻)	0	/ 30.0 =	0.00
13. Bicarbonate (HCO ₃ ⁻)	267	/ 61.1 =	4.37
14. Sulfate (SO ₄ ²⁻)	1,700	/ 48.8 =	34.84
15. Chloride (Cl ⁻)	104,976	/ 35.5 =	2,957.07
16. Total Dissolved Solids	170,215		
17. Total Iron (Fe)	8	/ 18.2 =	0.44
18. Total Hardness As CaCO ₃	44,790		
19. Resistivity @ 75 F. (Calculated)	0.019 /cm.		

LOGARITHMIC WATER PATTERN *meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION				
COMPOUND	EQ. WT. X	*meq/L = mg/L.		
Cl				
Ca(HCO ₃) ₂	81.04	4.37	354	
HCO ₃				
CaSO ₄	68.07	34.84	2,371	
SO ₄				
CaCl ₂	55.50	464.28	25,767	
CO ₃				
Mg(HCO ₃) ₂	73.17	0.00	0	
MgSO ₄	60.19	0.00	0	
MgCL ₂	47.62	388.61	18,505	
NaHCO ₃	84.00	0.00	0	
NaSO ₄	71.03	0.00	0	
NaCl	58.46	2,104.19	123,011	

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.