



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

7/15/96

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 X _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

MR Drilling Co Wills Federal #1-D 34-265-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

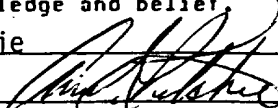
OK JS

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: MR Drilling Company
Address: P.O. Box 687 Monahans, TX 79756
Contact party: Chris Hisel Phone: (915) 943-2501
- 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: Ann E. Ritchie Title: Regulatory Agent
Signature:  Date: 7-1-96
- * 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. _____

MR Drilling
Wills Federal, Well #1
Section 34, T-26-S, R-37-E
Lea County, New Mexico

**** ||| ****

Well Data:

A

- (1) Operator: MR Drilling
Lease Name: Wills Federal
Well #: 1
Location: Section 34, T-26-S, R-37-E, 330 FNL & 330 FWL
- (2) Casing: 8 5/8" @ 1198' w/525 sxs cement in a 11" hole
5 1/2" @ 3500' w/1100 sxs cement in a 7 7/8" hole
- (3) Tubing: 2 7/8" @ 3208'
- (4) CIBP was set @ 3100' w/ 2 sxs cement - 3-14-84 by Marathon Oil Co.
MR Drilling drilled out the CIBP to 3095' 11-21-95

***** See attached schematic of well bore

B.

- (1) Injection Formation: Yates
Field Name : Rhodes
- (2) Injection Interval: 3221' - 3367' - perforated
- (3) The original purpose of the well was to produce oil.
- (4) There are no other perforated intervals in this well.
- (5) Next higher productive zone is N/A.
Lower Productive zone is N/A.

Surface Casing 8 5/8"
Depth Set 1198'
Cement 525 sx/surface

11" hole

Production String 5 1/2"
Depth Set 3500'
Cement 1100 sx/surface

7 7/8" hole

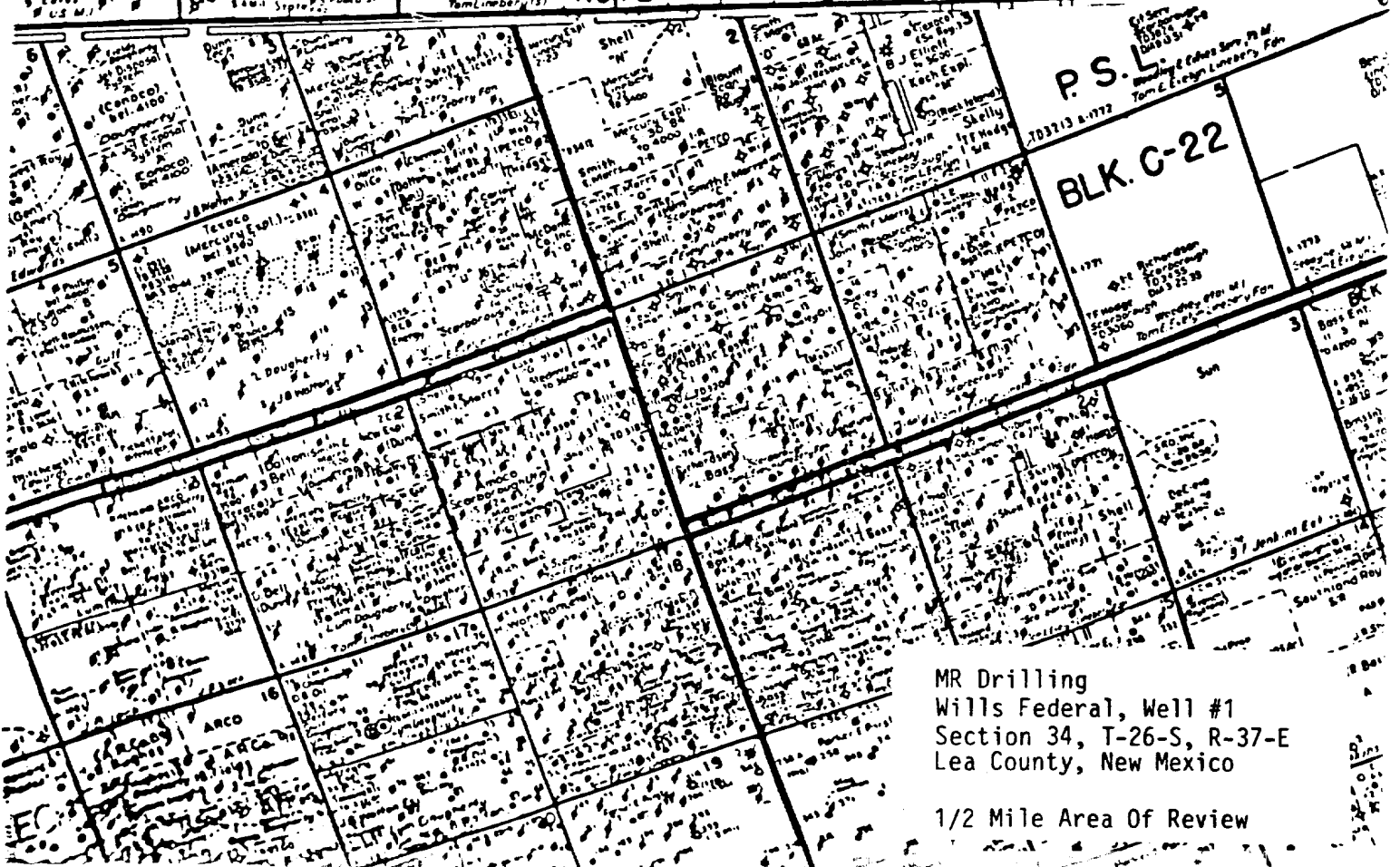
Perforations 3221-3367'
Tubing Depth 3208'

2 7/8" tubing
perforations - 3221-3367'

TD - 3500'

OPERATOR MR Drilling Company
LEASE AND WELL NAME Wills Federal, Well No. 1
LOCATION Sec 34, T-26S, R-37E, 330' FNL & 330' FWL
COUNTY AND STATE Lea County, NM

Requirement # V



**** VI ****

MR Drilling
Wills Federal, Well #1
Section 34, T-26-S, R-37-E
Lea County, New Mexico

Wells Within a 1/2 Mile Radius:

- (1) Texaco Expl. & Prod., Rhodes (Yates) Coop FED COM 3, Well #1
Sec 27, T-26-S, R-37-E, Lea County, New Mexico
1360 FSL & 50 FWL, TD: 3500' DD: 2-14-94
Status: Waterflood
API: 30-025-32094 Rhodes Field
- (2) Texaco Expl. & Prod., Rhodes (Yates) Unit, Well #15,
Sec 27, T-26-S, R-37-E, Lea County, New Mexico
1516 FSL & 1453 FWL TD: 3440' DD: 12-17-92
Status: Waterflood
API: 30-025-31757 Rhodes Field
- (3) Texaco Inc., Rhodes (Yates) Unit, Well #13,
Sec 27, T-26-S, R-37-E, Lea County, New Mexico
660 FSL & 660 FWL TD: 3450' DD: 2-14-78
Status: Input
API 30-025-25693 Rhodes Field
- (4) Anderson - Pritchard, Gregory B, Well # 3,
Sec 27, T-26-S, R-37-E, Lea County, New Mexico
990 FSL & 2310 FWL TD: 3330' DD: 12-1-45
Status: Injection
API 30-025-12075 Rhodes Field
- (5) Texaco, Rhodes Yates Unit, Well #10
Sec 27, T-26-S, R-37-E, Lea County, New Mexico
2130 FSL & 660 FWL, TD: 3327' DD: 5-27-43
Status: Input
API 30-025-12058 Rhodes Field
- (6) Texaco, W.H. Rhodes "B" Federal NCT 2, Well # 3-B
Sec 28, T-26-S, R-37-E, Lea County, New Mexico
1980 FSL & 660 FEL, TD: 3330' DD: 6-26-43
Status: Input
API 30-025-12075 Rhodes Field

MR Drilling
Wills Federal, Well #1
Lea County, New Mexico

- (7) Texaco, Inc., Rhodes, W.H. "B" Federal (NCT-2), Well #6
Sec 28, T-26-S, R-37-E, Lea County, New Mexico
660 FSL & 1880 FEL, TD: 3450' DD: 11-7-84
Status: Input
API 30-025-28911 Rhodes Field

- (8) Texaco, Inc., Rhodes, W.H. "B" Federal (NCT-2), Well #4,
Sec 28, T-26-S, R-37-E, Lea County, New Mexico
660 FSL & 660 FEL, TD: 3460' DD: 2-24-78
Status: Input
API 30-025-25691 Rhodes Field

- (9) Texaco Expl. & Prod., Rhodes W.H. "B" Federal (NCT-2), Well #7,
Sec 28, T-26-S, R-37-E, Lea County, New Mexico
1350 FSL & 1290 FEL, TD: 3500' DD: 5-13-94
Status: Waterlood
API 30-025-32459 Rhodes Field

- (10) T.F. Hodge, Mary E. Wills Federal, Well #5,
Sec 33, T-26-E, R-37-E, Lea County, New Mexico
660 FSL & FEL, TD: 3382' DD: 4-15-59
Status: P&A, 4-24-59 (See attached Plugging Report)
API 30-025-12102 Jalmat Field

- (11) Harkey Energy, Inc., Mary E. Wills Federal, Well #4,
Sec 33, T-26-S, R-37-E, Lea County, New Mexico
1749' FNL & 1980 FEL, TD: 3472' DD: 4-6-59
Status: Shut-in
API 30-025-12101 Jalmat Field

- (12) Harkey Energy, Inc., Mary E. Wills Federal, Well #6,
Sec 33, T-26-S, R-37-E, Lea County, New Mexico
990 FNL & 2310 FEL, TD: 3299' DD: 6-15-59
Status: Shut-in
API 30-025-12103 Jalmat Field

Page 3

MR Drilling
Wills Federal, Well #1
Lea County, New Mexico

- (13) Harkey Energy Inc., Wills Federal, Well #8
Sec 33, T-26-S, R-37-E, Lea County, New Mexico
330 FNL & 330 FEL , TD: 3340' DD: 10-26-83
Status: Producing
API # 30-025-28301 Scarborough Field; Yates, Seven Rivers

- (14) MR Drilling, Wills Federal, Well #2
Sec 34, T-26-S, R-37-E, Lea County, New Mexico
330 FNL & 2310 FEL, TD: 4150' DD: 11-20-95
Status: Producing
API 30-025-33151 Rhodes Field

ILLEGIBLE

HOES OFFICE COPY

Form 9-351A
(Feb. 1951)

(SUBMIT IN TRIPLICATE)

UNITED STATES

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Lease No. 630187 (5)

Unit

APR 24 1959

GEOLOGICAL SURVEY
NEW MEXICO

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....	SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	SUBSEQUENT REPORT OF ABANDONMENT.....	☒
NOTICE OF INTENTION TO PULL OR ALTER CASING.....	SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Well No. 3 is located 640 ft. from S line and 640 ft. from E line of sec. 23
SW/4 of the NE/4 24-8 27-8 100N
 (1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Jalisco 100 New Mexico
 (Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 2969 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate reworking jobs, cementing points, and all other important proposed work)

Operator abandoned well and plugged same with the following cement plugs:

- #1 @ 2300' with 10 sacks
- #2 @ 1300' with 10 sacks
- #3 @ top of surface with 3 sacks

Well abandoned without notification. Delinquent Notice of Abandonment has been accepted for record but not approved. Well may later be re-entered for completion as a water injector well. G. H. Johnson
 APR 24 1959
 I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company T. F. Hodge, Carolina Rock Sands & Lard S. Sands

Address 1112 Continental Bank Bldg.

Fort Worth 1, Texas

By T. F. HODGE

Larry Gideon

Title Production Manager

MR Drilling
Wills Federal, Well #1
Section 34, T-26-S, R-37-E
Lea County, New Mexico

**** VII ****

- (1) Proposed daily rate of Injection: 600 BBLS
Maximum daily rate of Injection: 1000 BBLS
- (2) The system is to be closed, utilizing 1 - 500 BBL. Tank storage facility
- (3) Average Injection Pressure: 1200#
Maximum Injection Pressure: 1600#
- (4) Water injected will be reinjected water from a compatible and same formation produced water.
- (5) Well will be used for disposal purposes into a productive zone.

**** VIII ****

Information Litho from Oil Conservation Division – See attached Form 3160-4

According to the State Engineers Office, the fresh water in the Santa Rosa Sandstone & Rustler Formation is to be encountered and protected to a depth of 600 & 1100' for this location, Section 34, T-26-S, R-37-E, 330 FWL & 330 FNL, Lea County, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

Form approved.

OMB No. 1004-0137

Expires February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.
NM-05017B

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐
1b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☒ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL No.
Wills Federal
Well # 1

9. API WELL NO.

30-025-00655

10. FIELD AND POOL, OR WILDCAT

Rhodes Yates

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

SEC. 34, T 26S, R 37E

12. COUNTY OR
PARISH

13. STATE

LEA

NM

2. NAME OF OPERATOR

MR Drilling Company

3. ADDRESS OF OPERATOR

P.O. Box 687, Monahans, Texas 79756 (915) 943-2501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 330' FNL & 330' FWL of Section 34

At top prod. interval reported below

At total depth Same

14. PERMIT NO.

DATE ISSUED

15. Date Spudded

12-17-83

16. Date T.D. Reached

12-24-83

17. DATE COMP (Ready to prod.)

12-4-95

18. ELEVATIONS (DF,RKB,RT,GR,ETC.)

2970' G.L.

19. ELEV. CASINGHEAD

2970'

20. TOTAL DEPTH, MD & TVD
3500'

21. PLUG, BACK T.D., MD & TVD

22. IF MULTIPLE COMPL.,
HOW MANY* 1

23. INTERVALS
DRILLED BY

ROTARY TOOL
X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD & TVD)*

3221' - 3367' Yates

25. WAS DIRECTIONAL
SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR - CNL - LDT - C; GR-DLL

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	Amount Pulled
8 5/8"	24#	1198'	11"	525 sx	NONE
5 1/2"	15.5#	3500'	7 7/8"	1100 sx	NONE

29. LINER RECORD

Size	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8"	3208'	

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

3221' - 3367' 42 holes

32. ACID, SHOT, FRAC., CEMENT SQUEEZE, Etc.

DEPTH INTERVAL (MD)	AMT. AND KIND OF MATERIAL USED
3221' - 3367'	2000 gals. 15% NeFe Acid
	50,000 gals. 50/50 CO2 w/ 92,000# sand.

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD				WELL STATUS	
11-24-95		(Flowing, gas lift, pumping – size and type of pump)				(Producing or Shut in)	
		PUMPING				PRODUCING	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR	OIL – BBL.	GAS – MCF.	WATER – BBL.	GAS-OIL RATIO
11-25-95	24		TEST PERIOD	10	4	58	400
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED	OIL – BBL.	GAS – MCF.	WATER – BBL.	OIL GRAVITY-API (CORR.)	
		24-HOUR RATE				39.5	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SOLD

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

ALREADY ON FILE WITH BLM

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

James M.C. Ritchie, Jr.

SIGNED

James M.C. Ritchie, Jr.

TITLE

REGULATORY AGENT

DATE

12-28-95

*(See Instructions and Spaces for Additional Data on Reverse Side)

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECOMPLETION REPORT AND LOG

GAS WELL ☐ DRY ☒ OIL ☐

PLUG BACK ☐ DIFF. RESER. ☐

DATE 40 OF 1984

WM 88240

in accordance with the State requirements

WL

14. PERMIT NO.

17. DATE COMPLETION (Ready to prod)

2/15/84

2970 ST.

18. MD & TVD

22. IF MULTIPLE COMPLETIONS, HOW MANY?

23. TOP, BOTTOM, NAME (MD AND TVD)

CASING RECORD (Report all strings set in well)

DEPTH SET (MD)	HOLES SIZE
1198	11"
3500	7 7/8"

1100

4 RECORD

DM (MD)	BACKS CEMENT*	SCREEN (MD)
---------	---------------	-------------

60-67 w/1 JSPP

3334

52-54, 61-62, 71,
(25 holes)

3221

PRODUCTION

METHOD (Flowing, gas lift, pumping—also give pump name)

using 2 1/2" x 1 1/4" rod pump

ROD PUMP SIZE

PROD. FOR TEST PERIOD

OIL—BBL

CALCULATED 24-HOUR RATE

OIL—BBL

GAS—MCF

UNITED, etc.)

ACCEPTED FOR

MAY 1984

attached information is complete and correct

TITLE

[illegible]

STANDARD OF POROUS BONES:
 SHOW ALL INSTANTANEOUS LENGTHS OF TENDONITY AND COMPLETLY SURENESS: CORRECTION INTERVALS: AND ALL INSTANTANEOUS WEIGHTS, INCLUDING
 DELTA INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHOT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DATE	TRUE VERT. DIST.
SANDS	3060	3408	Sand and Anhydrite			
		3500	Sand and Dolomite			

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

NO. OF FORMS RETURNED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.S.	
LAND OFFICE	
TRANSPORTER	
OIL	
GAS	
OPERATION	
OPERATING OFFICE	
OPERATOR	

Marathon Oil Company

Address

P. O. Box 2409 Hobbs, NM 88240

Reason(s) for filing (Check proper box)

New Well ☒

Recompletion ☐

Change in Ownership ☐

Change in Transporter of:

Oil ☐

Casinghead Gas ☐

Dry Gas ☐

Condensate ☐

Other (Please explain)

Test allowable of 75 bbls. oil.
Well is now temporarily abandoned.

If change of ownership give name
and address of previous owner.

DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, including Formation	Kind of Lease	State, Federal or Fee	Fee	Lease	
Wills Federal	1	Rhodes - Yates			Fed	LC050	
Location	Unit Letter	Feet From The	North	Line and	330	Feet From The	West
	D	330					
Line of Section	34	Township	26S	Range	37E	NMPM	Lea

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil ☒ or Condensate ☐	Address (Give address to which approved copy of this form is to be sent)					
Getty Trading and Transportation Company	P. O. Box 1142 Midland, TX 79702					
Name of Authorized Transporter of Casinghead Gas ☐ or Dry Gas ☐	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Reg.	Is gas actually connected?	When
					No	

If this production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Well, Drill
			X				
Date Spudded	Date Compl. Ready to Prod.	Total Depth				P.B.T.D.	
12/17/83	2/15/84	3500					3100
Wellbore (DP, RKB, RT, CR, etc.)	Name of Producing Formation	Top Oil/Gas Pay				Tubing Depth	
GR 2970 KB 2982	Yates	3221					N/A
Perforations						Depth Casing Shoe	

TUBING, CASING, AND CEMENTING RECORD

MR Drilling
Wills Federal, Well #1
Section 34, T-26-S, R-37-E
Lea County, New Mexico

**** IX ****

There is no stimulation program designed for this well.

**** X ****

Well logs for this well have been previously submitted by Marathon Oil Co. to the State Of New Mexico, Oil Conservation Division.

**** XI ****

See attached Chemical Analysis.

**** XII ****

See attached affirmative statement on geologic and engineering data examination.

**** XIII ****

See attached Notice and "Proof Of Notice" in Hobbs Newspaper .

MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.

RESULT OF WATER ANALYSES

TO: Mr. Chris Hise
P. O. Box 687, Monahans, TX 79756

LABORATORY NO. 129557
SAMPLE RECEIVED 12-7-95
RESULTS REPORTED 12-12-95

COMPANY MR Oil Company LEASE Wills Federal #1
FIELD OR POOL Rhodes (Yates)
SECTION _____ BLOCK _____ SURVEY _____ COUNTY Lea STATE NM
SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Produced water - taken from Wills Federal #1.

REMARKS:

CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.1744			
pH When Sampled				
pH When Received	5.98			
Bicarbonate as HCO ₃	1.025			
Supersaturation as CaCO ₃				
Undersaturation as CaCO ₃				
Total Hardness as CaCO ₃	58,000			
Calcium as Ca	7,400			
Magnesium as Mg	9,599			
Sodium and/or Potassium	81,175			
Sulfate as SO ₄	1,257			
Chloride as Cl	164,764			
Iron as Fe	137			
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	265,219			
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen,				
Hydrogen Sulfide	0.0			
Resistivity, ohm-cm at 77° F.	0.049			
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks These results show this water to have ratios of salts that correlate with what would be expected from Yates water in the Rhodes field. There does appear to be some discrepancies in the form of a lower than normal pH and a higher than normal bicarbonate, suggesting there may be some minor influence from water that might have been artificially induced into this well. Actually, our records show natural Yates to have a slightly higher magnesium, sodium, and chloride which also may be a reflection of a minor amount of artificially induced load or drilling water. However, these discrepancies are insufficient to indicate this is anything other than at least nearly all natural Yates.

MR DRILLING COMPANY

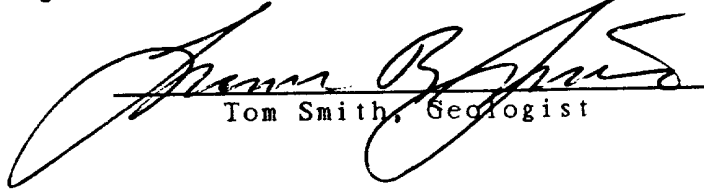
P.O. BOX 687

MONAHANS, TEXAS 79756

June 26, 1996

MR Drilling Company
Wills Federal, Well #1
Rhodes Yates Field
Lea County, New Mexico

In reference to the Wills Federal, well #1, located in Section 34, T-26-S, R-37-E, being 330 FNL and 330 FWL, Lea County, New Mexico, I have examined the available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the injection zone and any underground source of drinking water.



Tom Smith, Geologist

Requirement XIV

"Proof of Notice"

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of _____

1 weeks.
Beginning with the issue dated

June 14, 1996
and ending with the issue dated

June 14, 1996

Kathi Bearden
Publisher

Sworn and subscribed to before

me this 19 day of

June, 1996

Sandra Catlett
Notary Public.

My Commission expires
August 29, 1999
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE

June 14, 1996

**NOTICE OF APPLICATION
FOR FLUID INJECTION
WELL PERMIT**

MR Drilling Company, C/O P.O. Box 953, Midland, TX 79702 is seeking administrative approval from the New Mexico Oil Conservation Division to complete our Wills Federal, Well #1 as an injection well. The well is located in Section 34, T 26 S, R 37 E, Lea County, New Mexico. The proposed injection zone is the Yates formation with perforations from 3221 to 3367. MR Drilling Company intends to inject a maximum of 1000 BBLs of produced formation water per day at a maximum injection pressure of 1600#.

Interested parties must file objections or request for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501 within 15 days of this notice.
#14616

MR Drilling
Wills Federal, Well #1
Section 34, T-26-S, R-37-E
Lea County, New Mexico

**** XIV ****

Leasehold Operators Within 1/2 Mile Radius:

Marathon
P.O. Box 552
Midland, TX 79702

Shell Oil Company
P.O. Box 576
Houston, TX 77001

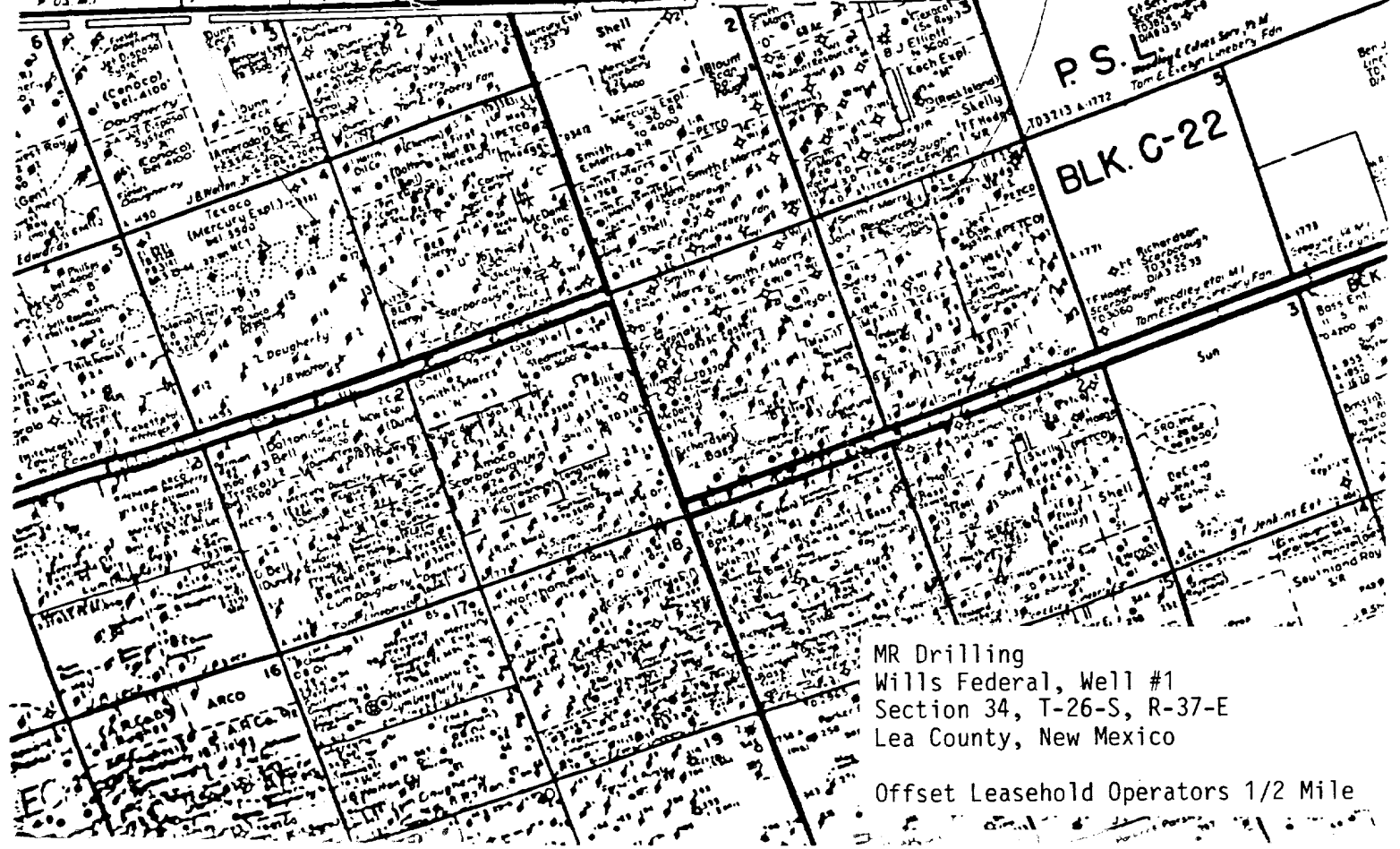
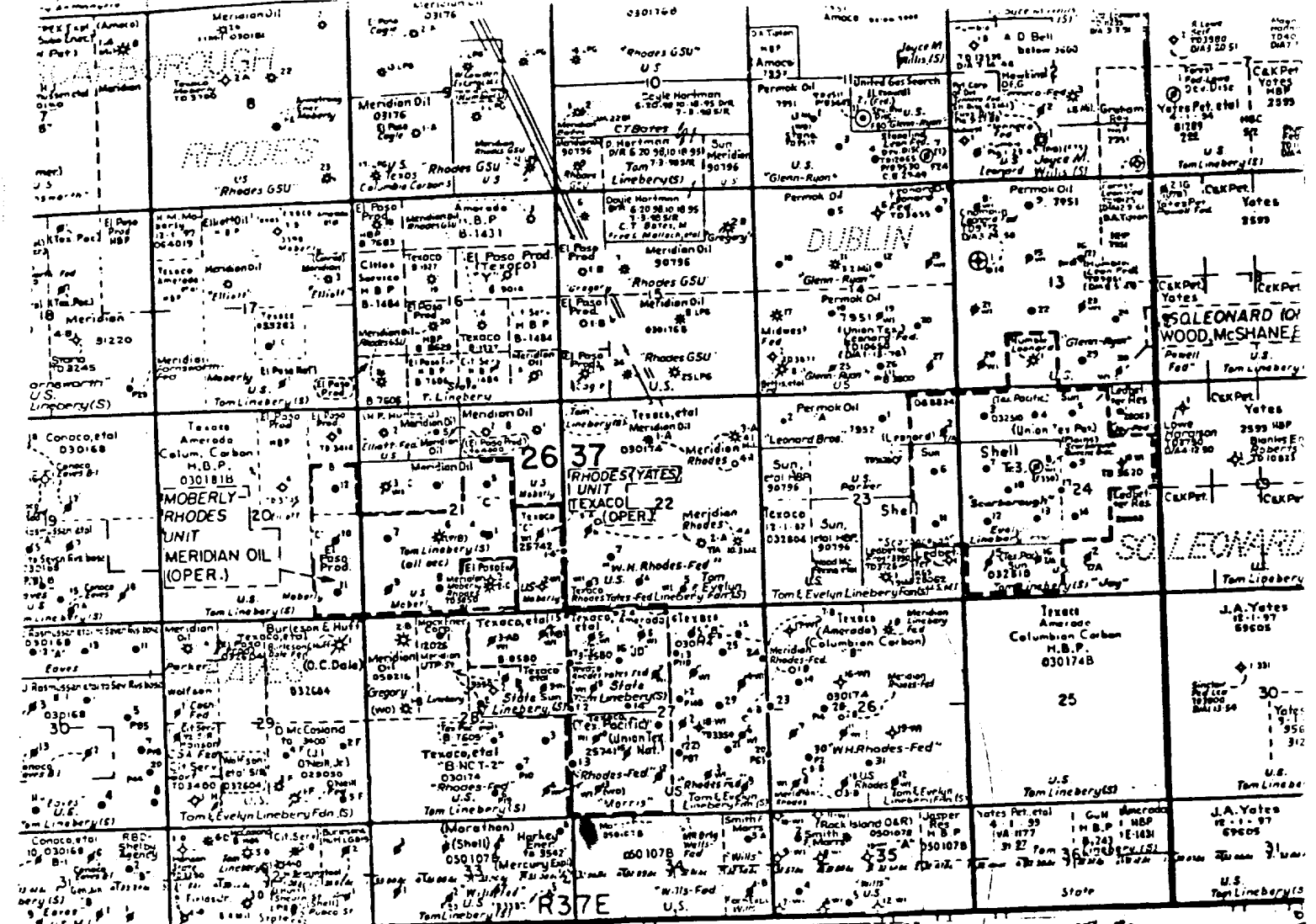
Harkey Energy
P.O. Box 1975
Monahans, TX 79756

Texaco Exploration & Production
P.O. Box 3109
Midland, TX 79702

Surface Owner:

Tom & Evelyn Lineberry Foundation
P.O. Box 1536
Midland, TX 79702

Copies Of registered mail receipts attached showing application was sent to the
above leasehold operators and surface owner. *(notice)*



MR Drilling
Wills Federal, Well #1
Section 34, T-26-S, R-37-E
Lea County, New Mexico
Offset Leasehold Operators 1/2 Mile

P 389 511 447

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Marathon Oil Co.	
Street & Number P.O. Box 552	
Post Office, State, & ZIP Code Midland, Texas 79702	
Postage	\$.32
Certified Fee	1.10
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	\$ 2.52
Postmark or Date	

P 389 511 451

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Tom & Evelyn Lineberry Found.	
Street & Number P.O. Box 1536	
Post Office, State, & ZIP Code Midland, Texas 79702	
Postage	\$.32
Certified Fee	1.10
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	\$ 2.52
Postmark or Date	

P 389 511 449

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Harkey Energy	
Street & Number P.O. Box 1975	
Post Office, State, & ZIP Code Monahans, Texas 79756	
Postage	\$.32
Certified Fee	1.10
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	\$ 2.52
Postmark or Date	

P 389 511 450

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Texaco Expl. & Prod. Co.	
Street & Number P.O. Box 3109	
Post Office, State, & ZIP Code Midland, Texas 79702	
Postage	\$.32
Certified Fee	1.10
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	\$ 2.52
Postmark or Date	

P 389 511 448

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Shell Oil Company	
Street & Number P.O. Box 576	
Post Office, State, & ZIP Code Houston, Texas 77001	
Postage	\$.32
Certified Fee	1.10
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	\$ 2.52
Postmark or Date	

July 1, 1996

Shell Oil Company
P.O. Box 576
Houston, TX 77001

Re: MR Drilling Company, Wills Federal Lease, Well #1, Sec 34, T-26-S, R-37-E, 330 FNL&330'
FWL, Lea County, New Mexico.

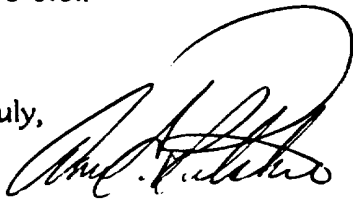
Gentlemen/Ladies:

On this date we have submitted by mail an application to convert the above referenced well into a lease injection well. This well is to be utilized for water production from the producing wells on the Wills Federal Lease. You or your company is a leasehold operator or surface owner within 1/2 mile of the applied for well.

The daily anticipated injection volume on average will be 600 bbls, maximum injection volume per day - 1000 bbls. The average injection pressure is projected to be 1200# or less, with a maximum permitted injection pressure of 1600#. The produced formation water will be injected back into the formation from which it was produced; in well #1 the perforations to be utilized for injection are from 3221-3367', the Yates formation. The original purpose of this well was to produce oil; it is no longer economically productive of oil or gas.

If you have any question concerning this application please call us at (915) 684-6381 or write to MR Drilling Company, c/o Box 953, Midland, Texas 79702. Questions concerning the permitting of the application can be made to the Oil Conservation Division in Hobbs (505) 393-6161.

Yours truly,



Ann E. Ritchie, Regulatory Agent
MR Drilling Company
c/o Box 953
Midland, Texas 79702

cc: MR Drilling Company, P.O. Box 687, Monahans, TX 79756

July 1, 1996

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

Re: MR Drilling Company, Wills Federal Lease, Well #1, Sec 34, T-26-S, R-37-E, 330 FNL&330'
FWL, Lea County, New Mexico.

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Ann E. Ritchie, Regulatory Agent
MR Drilling Company
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Midland, Texas 79702

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July 1, 1996

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P.O. Box 1975
Monahans, Texas 79756

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MR Drilling Company
c/o Box 953
Midland, Texas 79702

cc: MR Drilling Company, P.O. Box 687, Monahans, TX 79756

July 1, 1996

Tom & Evelyn Lineberry Foundation
P.O. Box 1536
Midland, Texas 79702

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Midland, Texas 79702

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July 1, 1996

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P.O. Box 3109
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