

DATE IN 09/25/2013	SUSPENSE	ENGINEER PG	LOGGED IN 07/16/2013	TYPE SWD 1438	APP NO. PAXK 1320753607
--------------------	----------	-------------	----------------------	---------------	-------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Consolidated State 3
 30-025-29711
 (Devonian Fm)

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Brian Wood

Print or Type Name

Signature

Consultant

Title

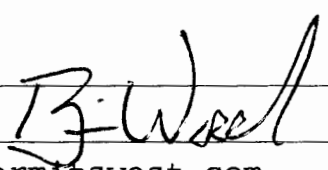
brian@permitswest.com

e-mail Address

7-25-13

Date

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance XXX Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: COBALT OPERATING, LLC
ADDRESS: 3001 NORTH BIG SPRING, SUITE 207, MIDLAND, TX 79705
CONTACT PARTY: BRIAN WOOD (PERMITS WEST, INC.) PHONE: 505 466-8120
- 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 XXX 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:
- CONSOLIDATED STATE 3**
30-025-29711
Devonian application
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: BRIAN WOOD TITLE: CONSULTANT
SIGNATURE:  DATE: JULY 23, 2013
E-MAIL ADDRESS: brian@permitswest.com
- * 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: _____

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, 1220 South St. Francis Dr., 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.

INJECTION WELL DATA SHEET

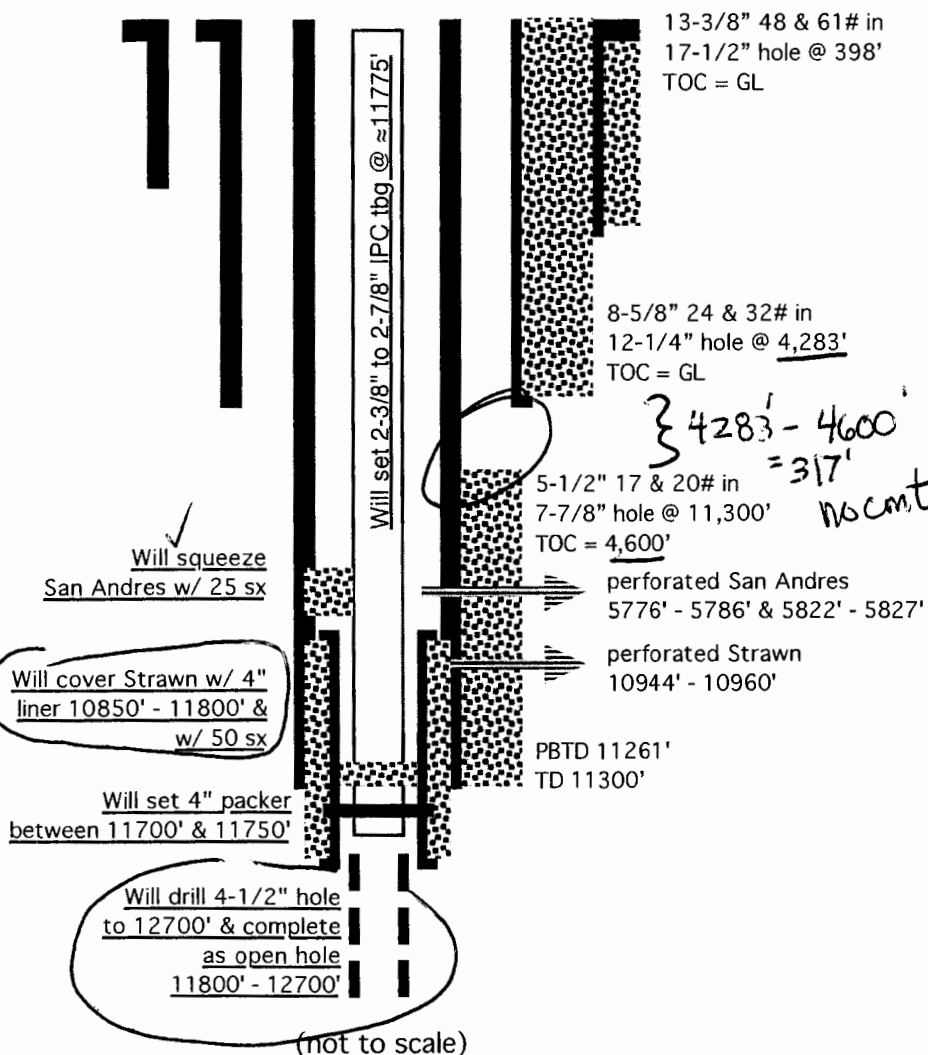
OPERATOR: COBALT OPERTING, LLCWELL NAME & NUMBER: CONSOLIDATED STATE 3

WELL LOCATION: 660' FNL & 2128' FWL C 9 17 S 37 E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 17-1/2" Casing Size: 13-3/8"Cemented with: 350 sx. or _____ ft³Top of Cement: SURFACE Method Determined: 39 SX EXCESS
CIRCULATEDIntermediate CasingHole Size: 12-1/4" Casing Size: 8-5/8"Cemented with: 1,650 sx. or _____ ft³Top of Cement: SURFACE Method Determined: 147 SX EXCESS
CIRCULATEDProduction CasingHole Size: 7-7/8" Casing Size: 5-1/2"Cemented with: 1,535 sx. or _____ ft³Top of Cement: 4,600' Method Determined: per note
in OCD fileTotal Depth: 11,300'Injection Interval11,800 feet to 12,700'

(Perforated or Open Hole; indicate which)

■■■■■■■■■■



GL to 10,700': 2-7/8" N-80 6.5#

10,700' to 11,775': 2-3/8" N-80 4.6#

INJECTION WELL DATA SHEETTubing Size: see above Lining Material: INTERNAL PLASTIC COATEDType of Packer: 4" ASIX nickel platedPacker Setting Depth: 11,700' - 11,750'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? (DISPOSAL) _____ Yes XXX No

If no, for what purpose was the well originally drilled? _____

ORIGINALLY DRILLED AS A SHIPP; STRAWN OIL WELL.

2. Name of the Injection Formation: ~~STRAWN~~

3. Name of Field or Pool (if applicable): ~~SWD; STRAWN (POOL CODE 96188)~~

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. ONLY PERFORATED IN THE STRAWN *& San Andres*
EXISTING STRAWN PERFS: 10,944' - 10,960' (WILL COVER WITH LINER & CEMENT)

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

OVER: WOLFCAMP (8,733'), ABO (8,504'), TUBB (7,710'),SAN ANDRES (4,875'), & YATES (3,172')UNDER: none

COBALT OPERATING, LLC
CONSOLIDATED STATE 3
660' FNL & 2128' FWL SEC. 9, T. 17 S., R. 37 E.
LEA COUNTY, NEW MEXICO

PAGE 1

30-025-29711

I. Purpose is to deepen and convert an existing 11,300' deep Strawn oil well to a saltwater disposal well. Disposal will be in the Devonian (11,800' – 12,700'). This is the SWD; Devonian Pool (NMOCD pool code 96101). Well was previously approved (on June 14, 2012 in R-13569, Case 14834) as a Strawn disposal well. The Strawn pressured up and Cobalt was unable to inject.

II. Operator: Cobalt Operating, LLC (OGRID #286255)
Operator phone number: (432) 682-8686
Operator address: 3001 North Big Spring, Suite 207
Midland, TX 79705
Contact for Application: Brian Wood (Permits West, Inc.)
Phone: (505) 466-8120

III. A. (1) Lease: New Mexico State Land Office lease E0-8563-0004
Lease Size: 480 acres (see Exhibit A for C-102 and map)
Closest Lease Line: 512'
Lease: N2NE4 & N2SW4 Section 8 and W2 Section 9, T 17 S, R 37 E
Surface Owner: New Mexico State Land Office

A. (2) Surface casing (13-3/8", 48# & 61#) was set in 1986 at 398' in a 17-1/2" hole. Casing was cemented to the surface with 250 sacks Pacesetter® light with 2% CaCl₂ followed by 100 sacks Class C with 2% CaCl₂. Circulated 39 sacks excess.

Intermediate casing (8-5/8", 24# & 32#) was set at 4,283' in a 12-1/4" hole. Casing was cemented to the surface with 1,450 sacks Pacesetter® light with 15 pounds per sack salt and 1/4 pound per sack cello flake followed by 200 sacks Class C with 2% CaCl₂. Circulated 147 sacks excess.

Production casing (5-1/2", N-80, L T & C, 17# & 20#) was set at 11,300' (TD) in a 7-7/8" hole and cemented to 4,600' with 1,535

sacks in 2 stages. Cement baskets were set at 10,352' and 10,359' and a DV tool was set at 8,423'.

First stage of long string was cemented with 260 sacks Pacesetter® light Class H with 6% KCl + 0.6% CF-2 + 0.4% TF-4 + 1/4 pound per sack cello flake (= 12.7 pounds per gallon & 2.0 cubic feet per sack) and 375 sacks Class H with 3% KCl + 0.8% CF-2 + 0.4% TF-4 + 1/4 pound per sack cello flake (= 15.6 pounds per gallon & 1.18 cubic feet per sack).

Second stage of long string was cemented with 800 sacks Pacesetter® light Class C with 6% KCl + 0.6% CF-2 + 0.4% TF-4 + 1/4 pound per sack cello flake (= 12.7 pounds per gallon & 2.0 cubic feet per sack) and 100 sacks Class C (= 14.8 pounds per gallon & 1.32 cubic feet per sack).

Cobalt proposes to deepen the 11,300' well to 12,700' via 4-1/2" hole. A 4" flush joint liner (11.6 #, J-55) will be run from 10,850' to 11,800' and cemented to the top of the liner with 50 sacks (75 cubic feet) Class H with fluid loss additives mixed at 1.5 cubic feet per sack. Remainder of hole will be an open-hole completion.

- A. (3) Tubing will be 10,700' of 2-7/8" IPC (N-80, 6.5#, EUE) and 1,075' of 2-3/8" IPC (N-80, 4.6#, EUE). Setting depth will be at \approx 11,775'. (Disposal interval will be 11,800' - 12,700').
- A. (4) A 4" ASIX nickel plated packer will be set between 11,700' and 11,750' (50' to 100' above the top of the open-hole interval (11,800' - 12,700')).
- B. (1) Injection zone will be the Devonian limestone, which is part of the SWD; Devonian Pool (NMOCD pool code number 96101). Estimated fracture gradient is \approx 0.7 psi per foot.

- B. (2) Injection interval will be 11,800' to 12,700'. The entire well bore is currently cased. After the well is deepened 1400' to 12700', then the bottom 900' will be left open hole.
- B. (3) The well was drilled in 1986 and proposed for plugging and abandonment in 1999 and 2003. Cumulative production is 125,183 barrels of oil and 494,675 Mcf of gas from the Shipp; Strawn oil pool. Oil production ceased after 1998. An average of 76 Mcf of gas per month was produced in 2011, and only 5 Mcf for all of December 2011 (see Exhibit B).
- B. (4) Well was perforated in 1986 in the Strawn with 66 0.33" shots between 10,944' - 10,960'. These existing perforations will be covered with a liner and cement from 10,850' to 11,800'. Well was perforated in 2013 in the San Andres from 5,776' to 5,786' and from 5,822' to 5,827' with 2 shots per foot. These existing perforations will be squeezed with 25 sacks.
- B. (5) Next higher oil or gas zone in the area of review is the Strawn. Strawn produced in this well. Closest (1,768' north) current Strawn producer is in the Shipp; Strawn Pool at the Bureaucrat AGV 1 (30-025-30767). There is no lower producing oil or gas zone in the area of review. Next potential lower oil or gas zone is the Silurian. Potential oil or gas zones above or below the Devonian (from shallow to deep) include:

Yates (8 miles south in Eumont; Yates-& Rivers-Queen Pool in 28-18s-37e)
San Andres (2.2 mi. west in Lovington; Grayburg-San Andres Pool in 7-17s-37e)
Paddock (1 mile NW in the Lovington; Paddock Pool in 5-17s-37e)
Tubb (1.5 miles north in the Lovington; Tubb Pool in 33-16s-37e)
Abo (1 mile southwest in the Midway; Abo Pool in 17-17s-37e)
Bone Spring (4.1 miles SE at a now plugged wildcat in 25-17s-37e)
Wolfcamp (1.5 miles SE in the Humble City; Wolfcamp Pool in 14-17s-37e)
Strawn (in this well in the Shipp; Strawn Pool)
Atoka (1 mile east in Shipp; Atoka Pool in 3-17s-37e)
Mississippian (9 miles west in Shoe Bar - Mississippian Gas Pool in 12-17s-35e)

COBALT OPERATING, LLC
CONSOLIDATED STATE 3
660' FNL & 2128' FWL SEC. 9, T. 17 S., R. 37 E.
LEA COUNTY, NEW MEXICO

PAGE 4

30-025-29711

Devonian (3,379' southwest in Midway; Devonian Pool in 8-17s-37e)
Silurian (27 miles south in McCormack; Silurian Pool in 32-21s-37e)
Ellenburger (21 miles south in Cary; Simpson-Ellenburger Pool in 36-20s-37e)

Closest (3,379' southwest) Devonian producer is Cobalt's Warren 2 (30-025-26953). Production for all of 2012 was 437 barrels of oil and no gas. Production for the first 5 months of 2013 was 25 barrels of oil and no gas. Four other wells in T. 17 S., R. 37 E. produced from the Midway; Devonian Pool. All four are now plugged. The Devonian in the Consolidated State 3 is below the oil-water contact (Exhibit B).

IV. This is not an expansion of an existing injection project. It is disposal only.

V. Exhibit C shows 9 wells (1 producing oil + 6 plugged & abandoned oil + 1 saltwater disposal + 1 plugged water supply well) within a half-mile radius. State Engineer records indicate the water supply well was 137' west of the Consolidated State 3 wellhead. No evidence of the water well was found during November 17, 2011 and June 24, 2013 field inspections. State records indicate the 120' deep water well was drilled in 1953 and plugged in 1954.

Exhibit D shows 227 existing wells (34 producing oil or gas + 92 plugged & abandoned + 8 water injectors or disposals + 93 water wells) within a 2-mile radius.

Exhibit E shows all leases and lessors (only State and fee) within a one-half mile radius. Exhibit F shows all leases and lessors (only State and fee) within a 2-mile radius. Details on the leases within a one half-mile radius are:

<u>T. 17 S., R. 37 E.</u>	<u>Lessor</u>	<u>Lease Number</u>	<u>Lessee</u>
W2SE4 & SESE Section 4	fee	fee	Chesapeake
SESW Section 4	NMSLO	B0-2517-0000	ConocoPhillips
SESW Section 4	NMSLO	B0-2517-0001	Enduro
N2SW4 Section 4	NMSLO	E0-8636-0001	ConocoPhillips
SWSW Section 4	NMSLO	VB-0665-0002	Chevron
SESE Section 5	fee	fee	Chesapeake

COBALT OPERATING, LLC
CONSOLIDATED STATE 3
660' FNL & 2128' FWL SEC. 9, T. 17 S., R. 37 E.
LEA COUNTY, NEW MEXICO

PAGE 5

30-025-29711

SENE Section 8	fee	fee	Cobalt
NENE Section 8	NMSLO	V0-9192-0000	Monte Vista
NW4 Section 9	NMSLO	VB-2166-0000	Yates Petroleum
NE4 Section 9	NMSLO	VB-2289-0000	Dakota Resources
N2SW4 Section 9	NMSLO	VB-2230-0000	Crown Oil
NWSE Section 9	NMSLO	VB-2033-0001	Texland

VI. None of the nine wells that are within a half-mile penetrated the Devonian. Wells within the area of review are:

<u>OPERATOR</u>	<u>WELL</u>	<u>API 30-025-</u>	<u>T. 17 S., R. 37 E.</u>	<u>ZONE(S)</u>	<u>STATUS</u>	<u>TD</u>	<u>DISTANCE</u>
Frisbie & Yancy	water supply	(NMSEO L 02327)	NENW Section 9	Ogallala	P & A	120'	137'
Sinclair	State 335	05431	330 FN & 2310 FE Section 9	Wildcat; Paddock	P & A	6500	908'
Dakota	NM Ex State 2	29440	330 FN & 1980 Fe Section 9	SWD; Strawn	SWD	11300	1228'
Tipperary	Jons 4 State	28806	560 FS & 1650 FW Section 4	Shipp; Strawn	P & A	11336	1312'
Pennzoil	Viersen 3	29829	150 FS & 2080 FE Section 4	Shipp; Strawn	P & A	11240	1344'
Chevron	Bubba 4 State 1	37420	731 FS & 1043 FW Section 4	Shipp; Strawn	Oil	11195	1768'
Fasken	Consolidated 1	27183	2310 FN & 330 FW Section 9	Undesignated (Strawn test & TD in Miss.)	P & A	11073	2453' ✓
Cimarex	Viersen 2	29445	1300 FS & 1650 FE Section 4	Shipp; Strawn	P & A	11281	2469'
Exxon	NM EX State 1	29367	330 FN & 660 FE Section 9	Midway; Abo Humble City; Wolfcamp Shipp; Strawn	P & A	11412	2523'

COBALT OPERATING, LLC
CONSOLIDATED STATE 3
660' FNL & 2128' FWL SEC. 9, T. 17 S., R. 37 E.
LEA COUNTY, NEW MEXICO

PAGE 6

30-025-29711

Chevron Lea YL State 1 29640 2086 FS & 2086 FW Shipp; Strawn P & A 11250 2750'
Section 4

- VII. 1. Average injection rate will be \approx 1,500 bwpd.
Maximum injection rate will be \approx 2,000 bwpd.
2. System will be closed. Cobalt has an existing pipeline to the well.
3. Average injection pressure will be \approx 1,500 psi
Maximum injection pressure will be 2,360 psi ($= 0.2$ psi/foot \times 11,800' (top of open hole)).
4. Water source will be produced water only from Cobalt wells. Cobalt currently has 6 other wells in New Mexico. Two are Devonian wells, two are Strawn wells, one is a Wolfcamp well, and one is a Woodford well. A summary of closest analyses in the WAIDS database follows. (There is no Woodford analysis in the database. The Woodford well last produced in November 2006.)

Well	Kendrick Estate 1	Snyder A Com 1	L Cooper A 1
API #	30-025-07139	30-025-34073	30-025-07301
Location	J-5-12s-38e	18-6-16s-36e	N-12-17s-38e
Formation	Wolfcamp	Strawn	Devonian
Parameter (mg/l)			
Barium		0.679	
Bicarbonate	79	423.454	999
Calcium		2175.33	1,097.00
Chloride	92,950	43,455.70	15,643
H2S		2.092	
Iron		41.301	
Magnesium		458.969	1,077
Potassium		141.653	
Sodium		24,921.80	
Strontium		270.262	
Sulfate	916	430.723	2,337
Total Dissolved Solids	151,099	69,174	29,118.50

No compatibility problems have been reported from the two closest Devonian saltwater disposal wells (30-025-23937 (& 30-025-28083). Over 13,544,416 barrels have been disposed in those two wells.

5. There has been Devonian production from four wells (see below) within one mile. Three of the wells have since been plugged and abandoned. The fourth well may be converted to a saltwater disposal well. The Devonian in the Consolidated State 3 is below the oil-water contact (Exhibit B).

Well	Operator	API #	Distance	Status
Warren 2	Cobalt	30-025-26953	3,379'	oil well
Davoil State 1	Fasken	30-025-27393	4,083'	P & A
Warren 1	Fasken	30-025-26323	4,346'	P & A
Consolidated State A 1	Fasken	30-025-27593	5,239'	P & A

VIII. The Devonian Formation consists of fractured limestone. It is an estimated 1,019' thick in this well. Closest possible underground source of drinking water above the proposed disposal interval is the Ogallala Formation at the surface. There are 2 salt zones and at least 11,055' of separation between the bottom of the Ogallala and the top of the Devonian. Exhibit G shows nearby water wells.

State Engineer records indicate there was one well 137' west of the Consolidated State 3 and a second well is 5,300' northeast. Neither well could be found during field inspections. The closer well was drilled to 120' in 1953 and plugged in 1954. The other well was drilled to 90' in 1953.

A third well, not in the State Engineer's records, was found during the inspection. It is a windmill that is 3,264' east. A sample was collected in 2011. Its analysis is in Exhibit G. Four samples and analyses from 2013 are also in Exhibit G.

No underground source of drinking water is below the proposed disposal interval. Produced water is currently being disposed above the Devonian at a Strawn well (30-025-29440) 1,228' east and was disposed into the Abo at a well (30-025-20267) 8,383' southwest.

Formation tops are:

Ogallala = 0'
Salt = 625'
Anhydrite = 2,030'
Yates = 3,172'
San Andres = 4,875'
Glorieta = 6,366'
Tubb = 7,710'
Abo = 8,504'
Wolfcamp = 8,733'
Strawn = 10,934'
Atoka = 11,080'
Devonian = 11,681'
Current Total Depth: 11,300'
Proposed total Depth = 12,700'

- IX. The well will be stimulated with acid to clean out scale or fill.
- X. Compensated neutron litho density, dual Induction/SFL, and dip meter logs were run and are on file NMOCD.
- XI. There are numerous water wells within a mile radius. See Exhibit G for sample points and results.
- XII. Cobalt is not aware of any geologic or engineering data that may indicate the Devonian is in hydrologic connection with any underground sources of water. Ninety-three Devonian saltwater disposal wells have been approved in New Mexico. Closest Quaternary fault is >75 miles southwest (Exhibit H).

COBALT OPERATING, LLC
CONSOLIDATED STATE 3
660' FNL & 2128' FWL SEC. 9, T. 17 S., R. 37 E.
LEA COUNTY, NEW MEXICO

PAGE 9

30-025-29711

XIII. Notice (this application) is being sent to the surface owner (NM State Land Office), all oil and gas lessees or operating right holders (see below), and all Devonian interests within a half-mile (Exhibit I).

<u>T. 17 S., R. 37 E.</u>	<u>Lease Number</u>	<u>Lessee or Operating Right</u>
W2SE4 & SESE Section 4	fee	Chesapeake
SESW Section 4	B0-2517-0000	ConocoPhillips
SESW Section 4	B0-2517-0001	Enduro
N2SW4 Section 4	E0-8636-0001	ConocoPhillips, Chevron
SWSW Section 4	VB-0665-0002	Chevron
SESE Section 5	fee	Chesapeake
SENE Section 8	fee	Cobalt
NENE Section 8	V0-9192-0000	Monte Vista
NW4 Section 9	VB-2166-0000	Yates Petroleum
NE4 Section 9	VB-2289-0000	Dakota Resources
N2SW4 Section 9	VB-2230-0000	Crown Oil
NWSE Section 9	VB-2033-0001	Texland

A legal ad (Exhibit J) was published on June 18, 2013.



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

Form C-102
 Supersedes C-128
 Effective 1-1-85

All distances must be from the outer boundaries of the Section.

Operator BARBARA FASKEN			Lease CONSOLIDATED STATE			Well No. 3		
Unit Letter C	Section 9	Township 17S	Range 37E	County LEA				
Actual Footage Location of Well: 660 feet from the NORTH line and 2128 feet from the WEST line								
Ground Level Elev. 3778.7	Producing Formation Strawn		Pool Shipp		Dedicated Acreage: 80 Acres			

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

James F. Groce
 Name

James F. Groce

Position

Agent

Company

Barbara Fasken

Date

July 1, 1986

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 supervision, and that the same is true and correct to the best of my knowledge and belief.

EXHIBIT A

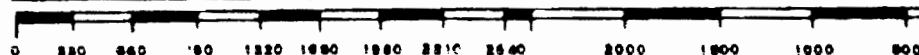
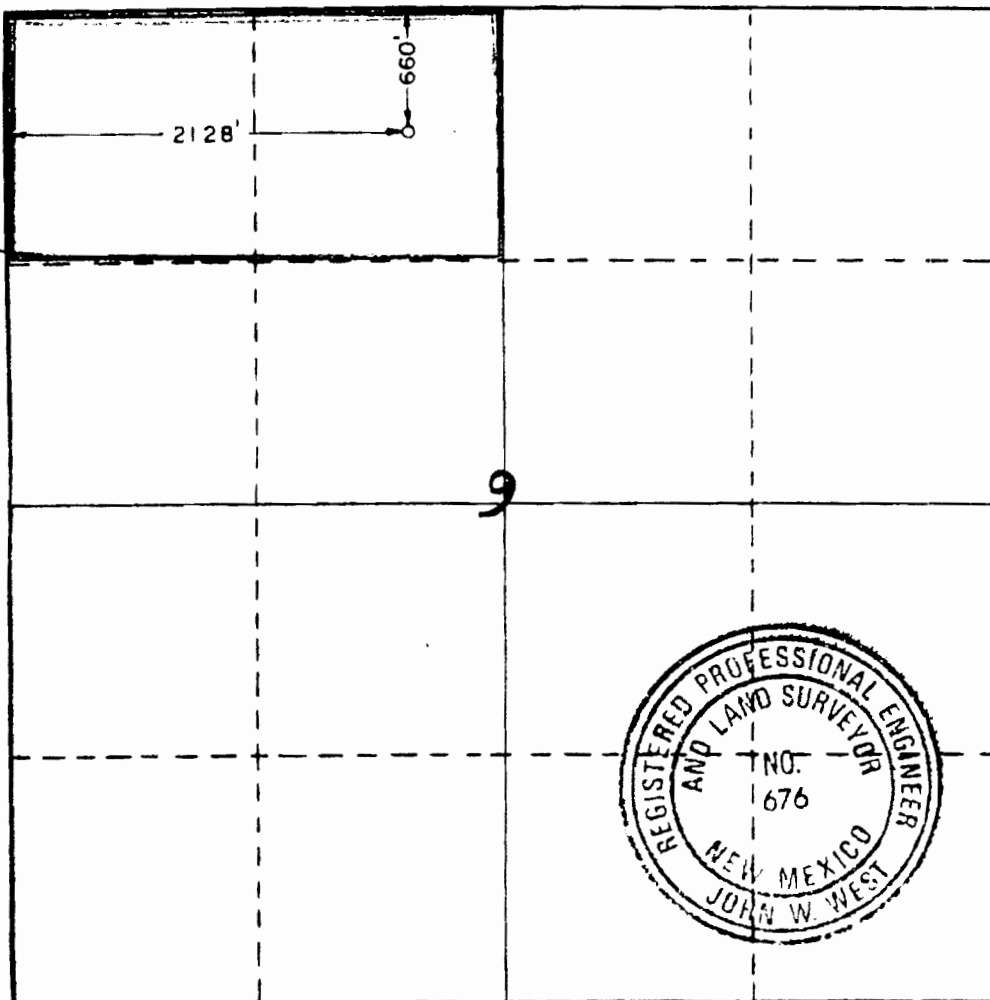
Date Surveyed

JUNE 27, 1986

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



Production Summary of api:3002529711 pool:SHIPP;STRAWN

producing year	Oil	Gas	Water	Co2
1992**	123607	394575	0	0
1993	1069	14018	0	0
1994	479	12538	0	0
1995	25	10162	0	0
1996	0	8126	0	0
1997	1	7118	0	0
1998	2	6528	0	0
1999	0	5598	0	0
2000	0	4241	0	0
2001	0	4006	0	0
2002	0	3274	0	0
2003	0	2971	0	0
2004	0	4510	0	0
2005	0	5574	0	0
2006	0	4438	0	0
2007	0	2530	0	0
2008	0	1267	0	0
2009	0	1124	0	0
2010	0	1169	0	0
2011	0	908	0	0
2012	0	0	0	0
2013	0	0	0	0
summary	1576	100100	0	0

**represents cumulative production data from pre-ONGARD database until December 1992.

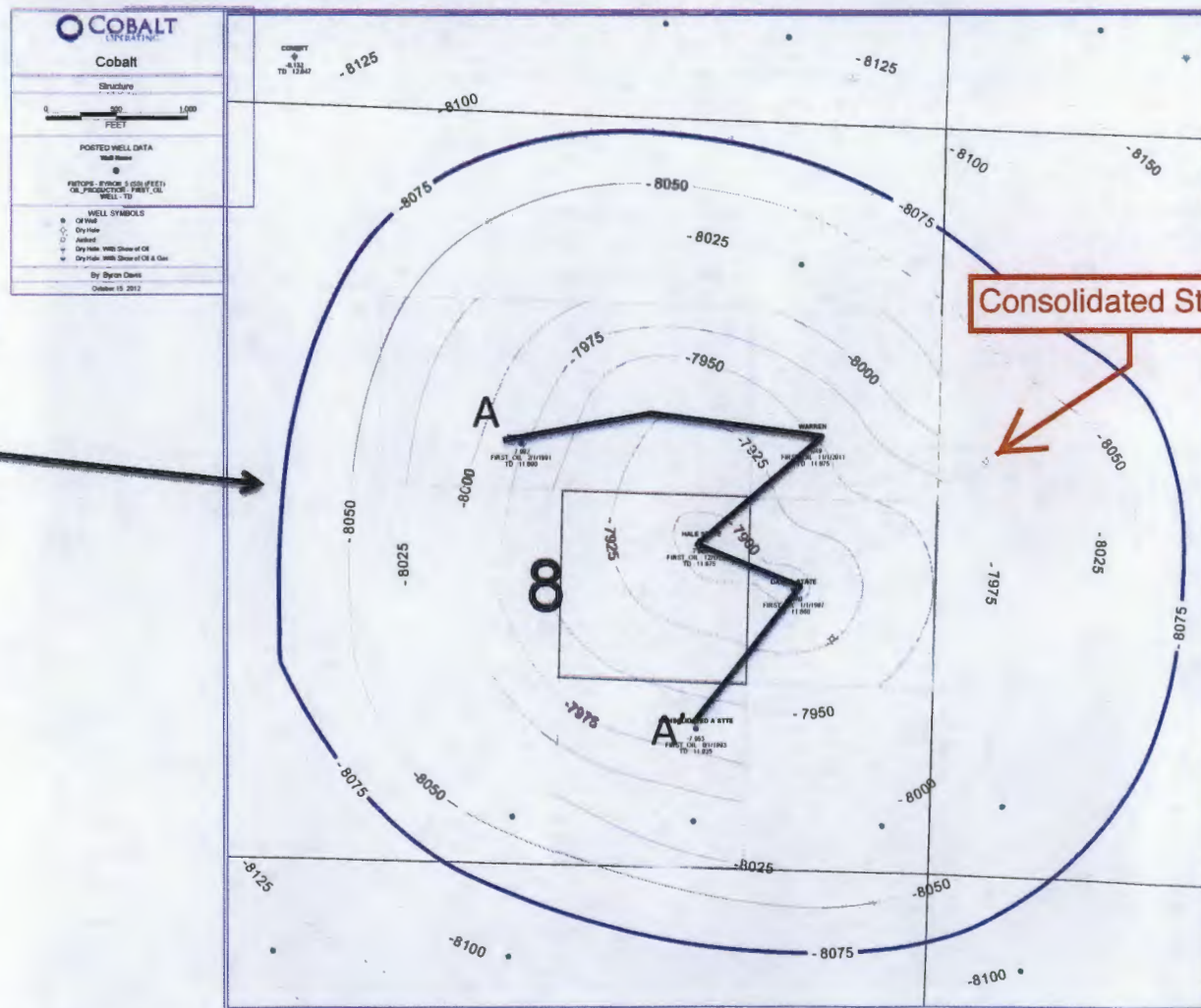
- This well and pool combination has no other pre-ongard data.

EXHIBIT B

Structure – Top of Wristen Group

The Midway Field is fault bounded. The faults were not seen in the log data, and no seismic was viewed, so the location of the faults is not known. This structure is a “best-estimate”, using only the 7 data points obtained from the log data, and thus limits accuracy in volumetric reserve estimates. X-sect A to A’ on Pg. 15 is shown on the map.

No Definitive Water Contact seen on Logs. The water contact at -8075 is estimated by using the transition zone, which was seen on the Consolidated State # 3 and the Warren # 3 at around -8050 SS.

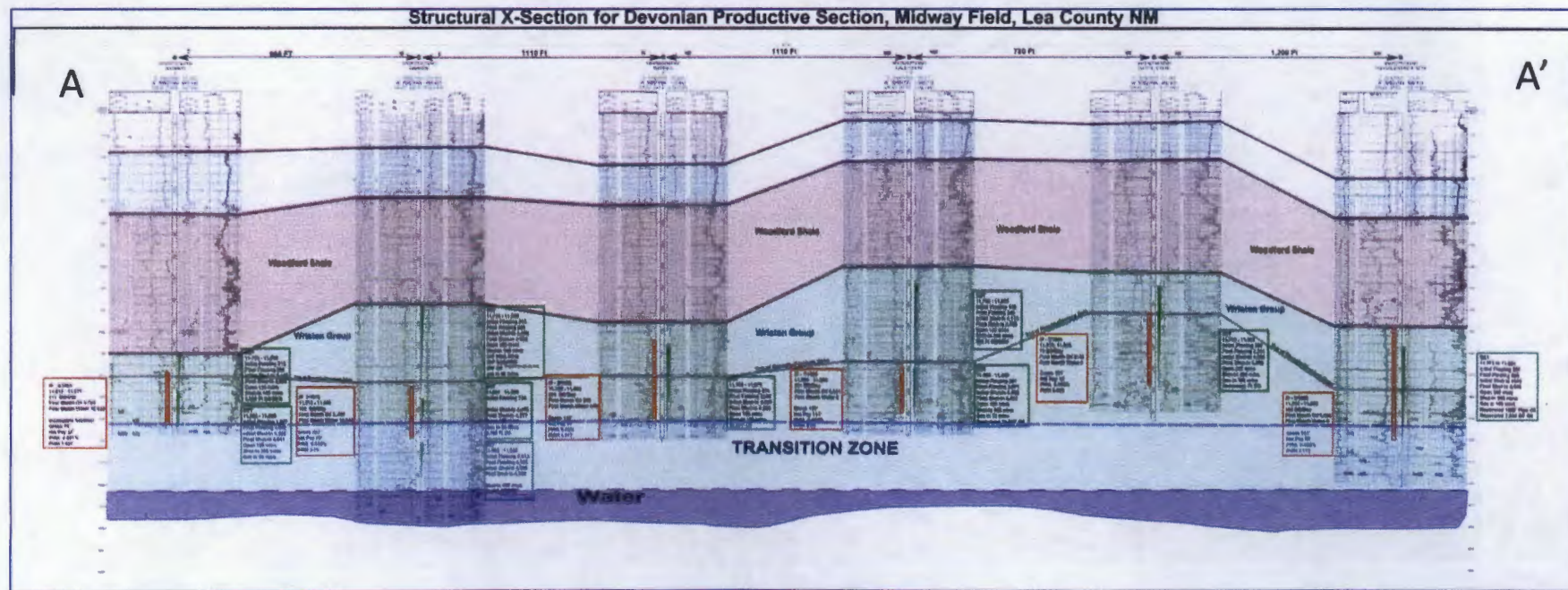


Cobalt Operating

EXHIBIT B

Structural X-Section

- Wells were drilled to different depths and have different amounts of section logged. For example the Warren # 3 has only 75 ft of section while the Warren # 1 was drilled deeper and has 202 ft of section. This discrepancy makes volumetric estimates inaccurate.
- Porosity/fractures are at different depths and do not follow current structure suggesting diagenesis occurred before and after structural deformation.
- Cutoffs used to calculate transition are calibrated with DST data, and are seen with a general decrease in resistivity with depth. The long in depth transition zone is related to the low porosity and complexity of these carbonates.

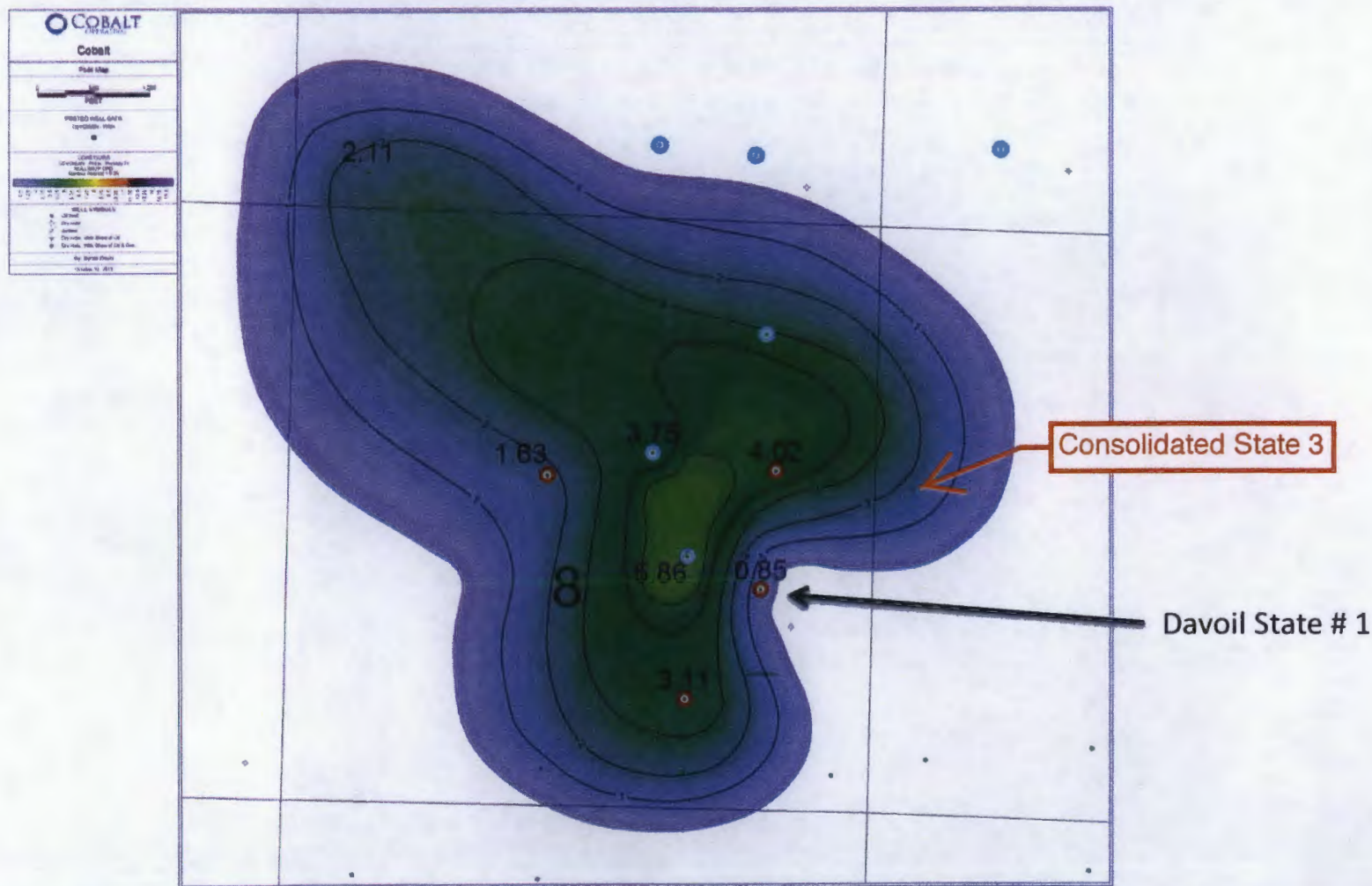


Cobalt Operating

EXHIBIT B

Gross Pay – PhiH

Gross pay was made by digitizing the seven sonic curves and gamma ray curves, in the wells that penetrated the Devonian. Cutoffs were established from DST data and a PhiH calculation (Porosity X Height) was made. Because several wells did not go as deep as other wells, the PhiH map is a best estimate and most likely an underestimate of volumetric reserves. In addition, the Davoil State #1 limits the porosity map to the SE, which probably doesn't represent the true porosity of the reservoir.



Cobalt Operating

EXHIBIT B

1 2 3 4

The image is a technical contour map of a site, likely for groundwater analysis. It features a grid background and a large, irregularly shaped area representing the site boundary. The map is titled 'COBALT' in the top left corner. Below the title, there is a legend and a scale bar. The legend includes a color scale for 'GROUNDWATER ELEVATION (Feet Above Sea Level)' ranging from 0.00 to 10.00. The scale bar shows a distance of 100 feet. The map displays several contour lines with numerical values: 2.11, 1.83, 3.73, 4.02, 5.86, 0.85, and 3.11. A red box labeled 'Consolidated State 3' points to a specific area on the right side of the map. A black arrow labeled 'Davoil State # 1' points to a specific area on the right side of the map.

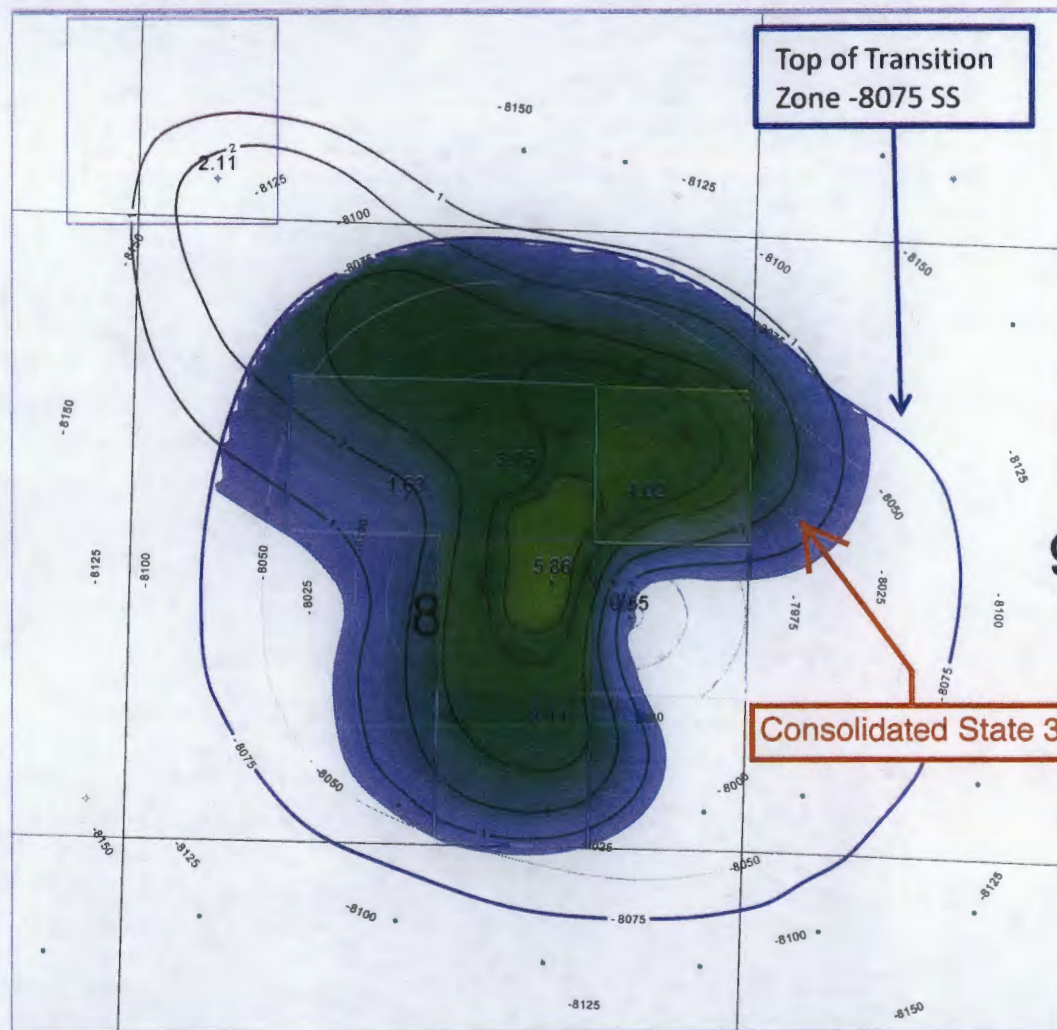
Net Pay – PhiH

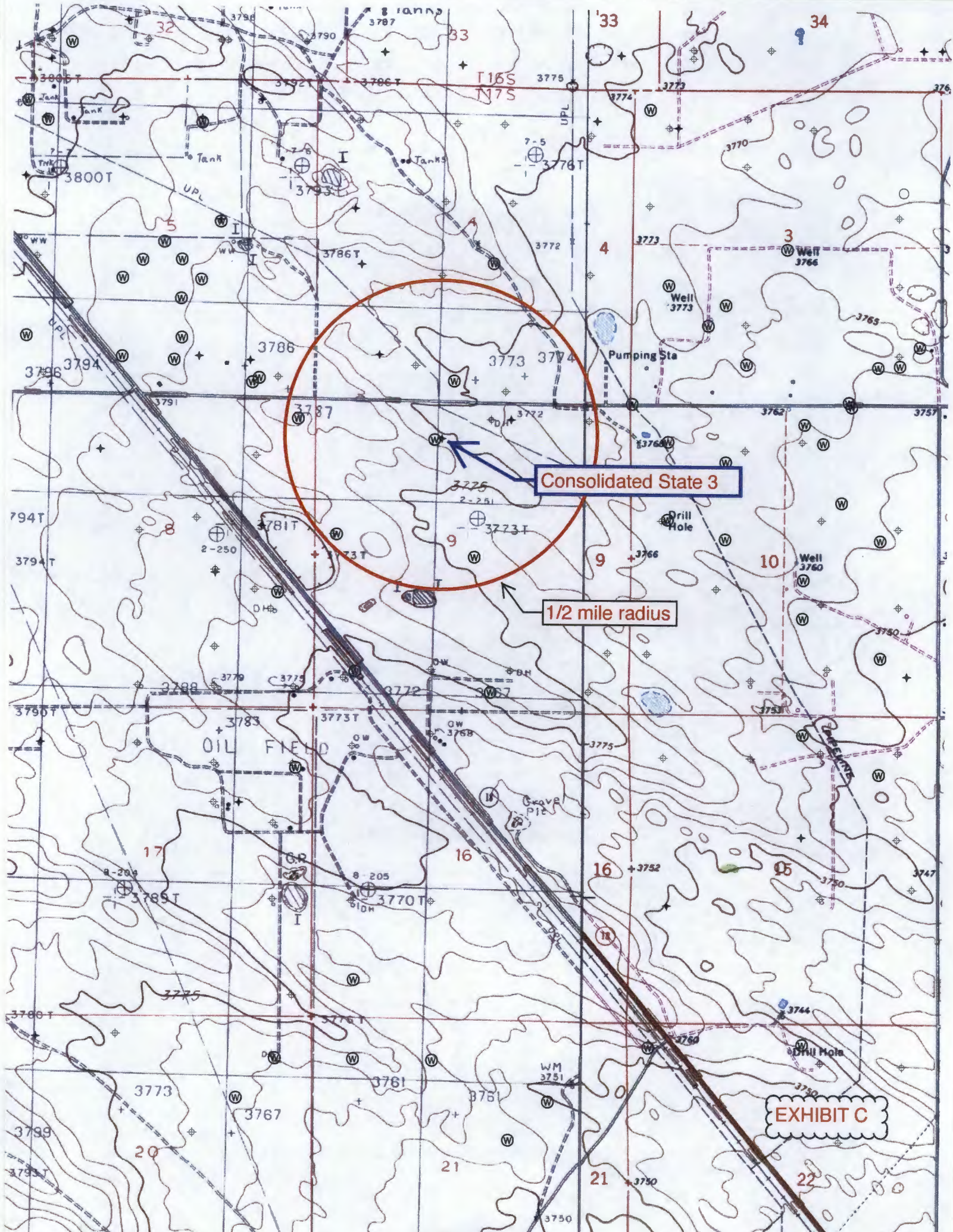
Net Pay was made by combining the structure map with the PhiH map and using the transition zone as the cutoff. Volumetric analysis to calculate Original Oil in Place (OOIP) was then calculated by plugging in the acreage (A), PhiH ($\phi \times \text{Height}$), water saturation (S_{wi}) and the formation volume factor of oil (B_o).

$$OOIP = \frac{7758 \times A \times h \times \phi \times (1 - S_{wi})}{B_{oi}}$$

➤ Limitations to OOIP calculation

- Structure map created from seven data points extracted from log data. Without seismic, the actual configuration of the reservoir is less accurate and results in a large error to the OOIP calculation.
- A zero percent cutoff for OOIP was made at the transition zone, which will underestimate the OOIP. The transition zone which has OOIP, is very large due to the low porosity. Underestimating the OOIP is a more cautious approach.
- Davoil St # 1 creates a relic of no porosity to the SE, which is most likely incorrect in this shallow-water depositional system. The data point is honored, and probably creates an underestimation of OOIP.
- The Wriston on the NW shelf in New Mexico is described as a structural play and not a stratigraphic play. This indicates the porosity is more ubiquitous than the PhiH map on Midway Field indicates and thus the porosity is greater and the OOIP is greater.

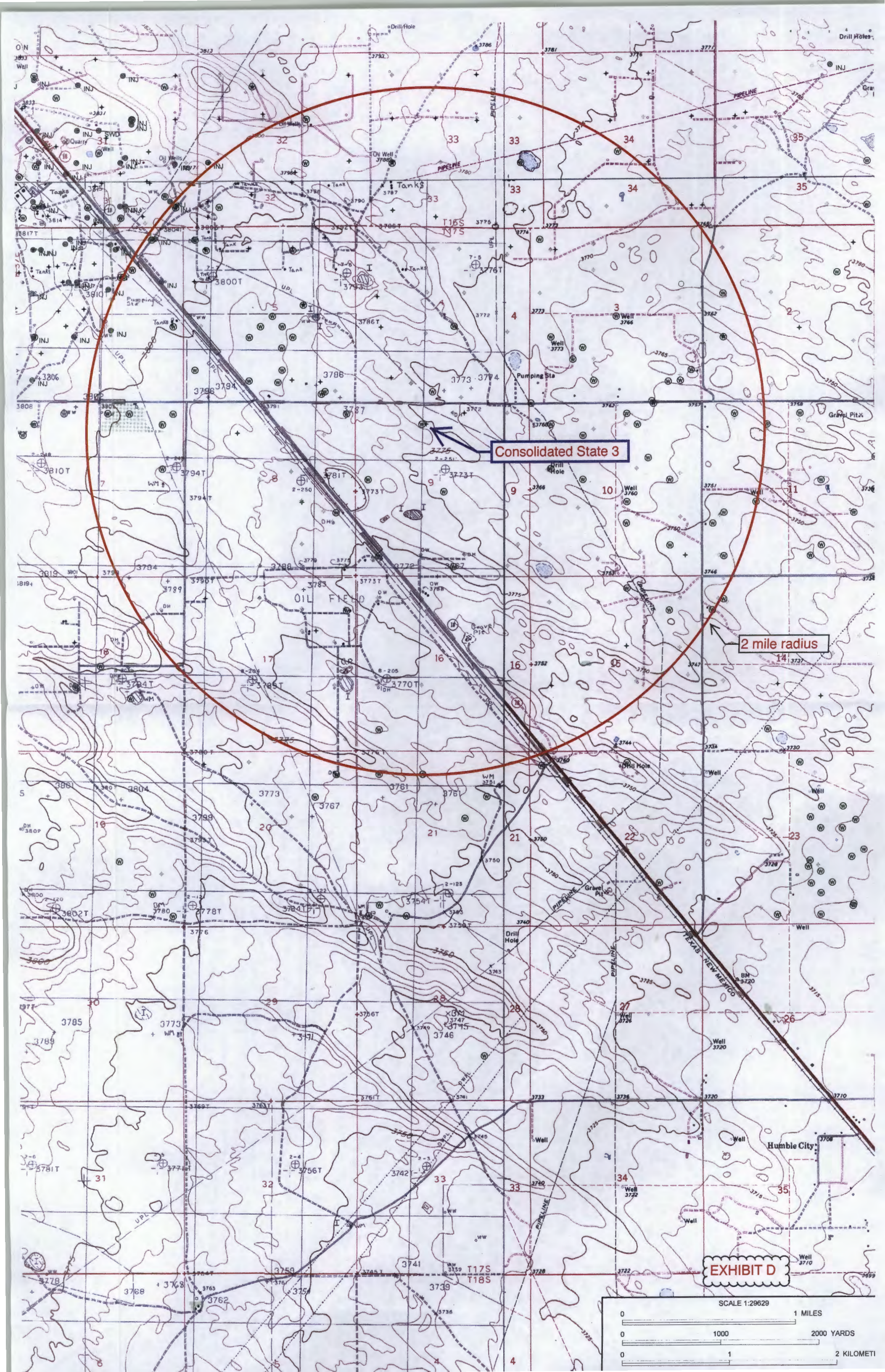




Consolidated State 3

1/2 mile radius

EXHIBIT C



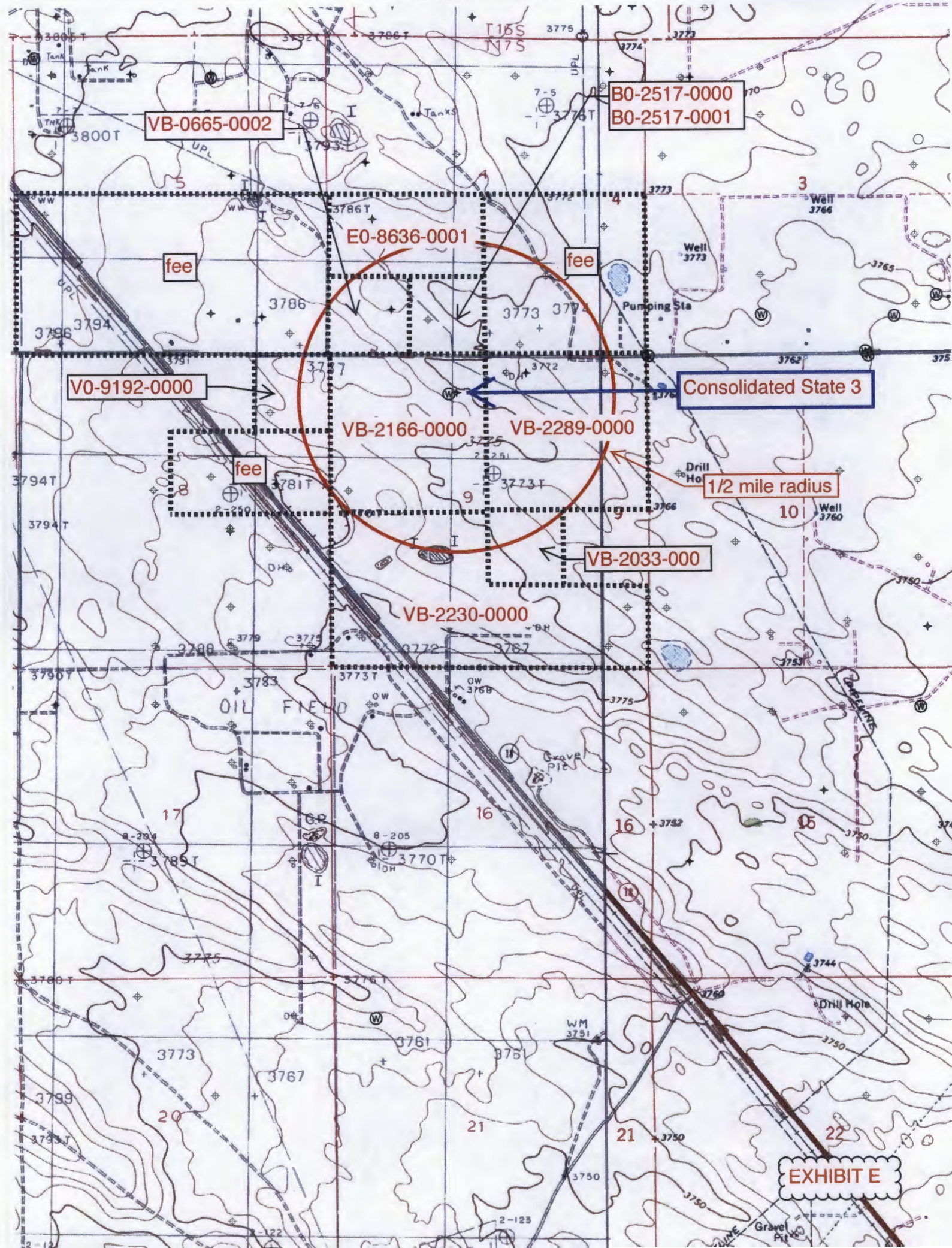
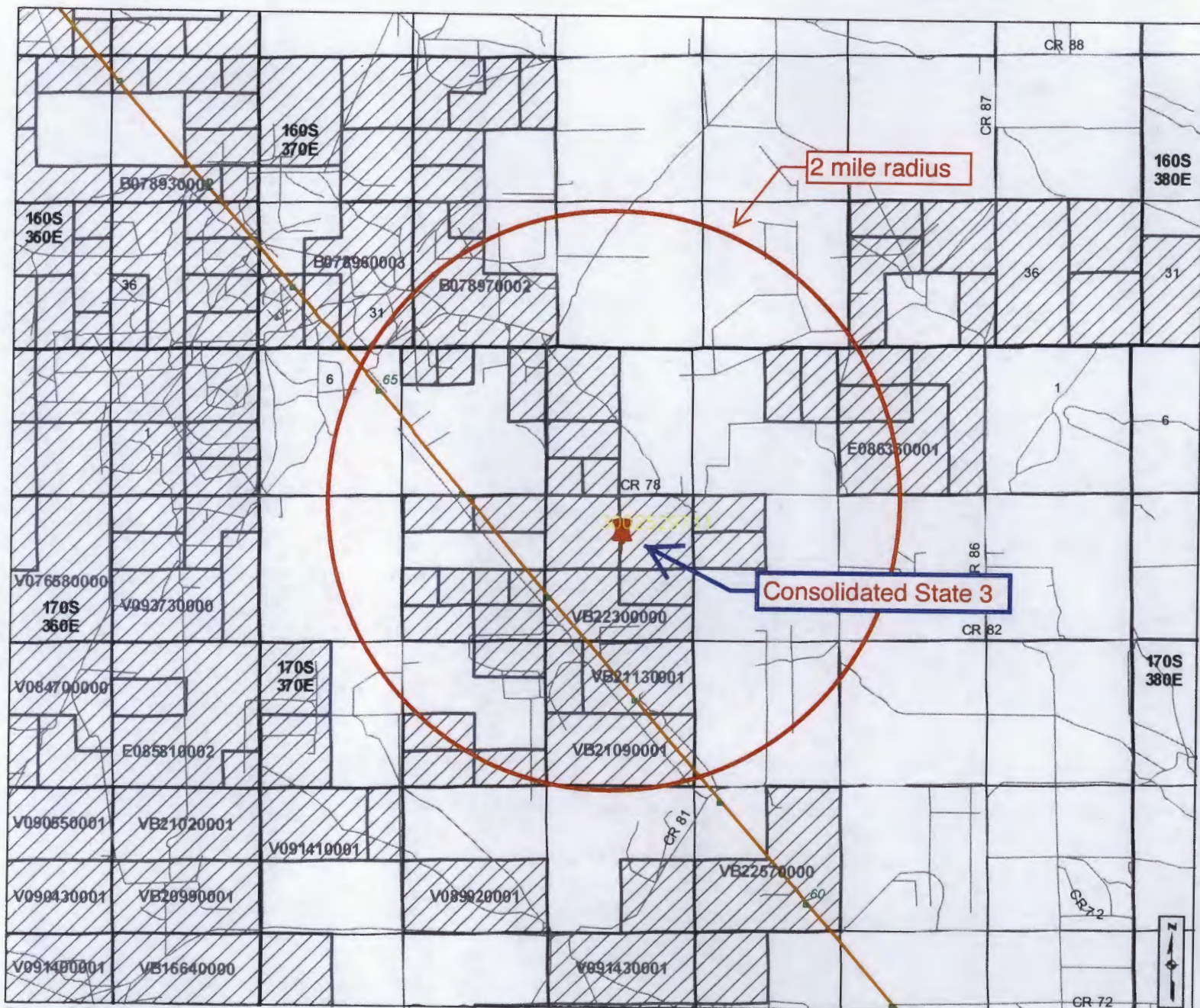


EXHIBIT E



New Mexico State Land Office Oil, Gas and Minerals

0 0.2 0.4 0.8 1.2 1.6
Miles
Universal Transverse Mercator Projection, Zone 13
1983 North American Datum

EXHIBIT F

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
logoc@slo.state.nm.us

Created On: 7/13/2013 2:43:23 PM

Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- US Hwy
- NM Hwy
- Local Road
- Continental Divide

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

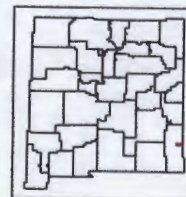
- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOC D Order R-111-P
- Potash Enclave Outline

NMOC D Oil and Gas Wells

- CO₂
- Gas
- Injection
- Miscellaneous
- Oil
- Salt Water Disposal
- Water
- DA or PA



www.nmstatelands.org



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
O=orphaned,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-	Code	basin	County	Q	Q	Q	4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
L 02327	L	LE			2	1	09	17S	37E			662941	3636532*	43	120	32	88
L 11492	L	LE			4	4	3	04	17S	37E		663034	3636834*	303	225		
L 05209	L	LE						09	17S	37E		663161	3635924*	636	100	42	58
L 08401	L	LE			3	3	1	09	17S	37E		662444	3636025*	742	185	60	125
L 11894 POD1 ✓	L	LE			2	2	2	08	17S	37E		662235	3636622*	754	226		
L 03158	L	LE			1	1	4	04	17S	37E		663230	3637441*	938	100	40	60
L 09365	L	LE			3	4	4	05	17S	37E		662028	3636825*	999	141	64	77
L 12208 POD1 ✓	L	LE			1	1	1	10	17S	37E		663963	3636736	999	200		
L 12034 POD1 ✓	L	LE			3	4	4	05	17S	37E		661996	3636802	1023	160	70	90
L 09815	L	LE			1	1	10	17S	37E			664151	3636546*	1167	150	65	85
L 05758	L	LE			2	4	08	17S	37E			662149	3635719*	1167	110	50	60
L 05872	L	LE			3	1	10	17S	37E			664158	3636143*	1237	155	50	105
L 05050	L	LE			3	3	09	17S	37E			662558	3635321*	1286	100	43	57
L 05214	L	LE			3	3	4	09	17S	37E		663264	3635229*	1335	105	45	60
L 00650	L	LE			1	3	03	17S	37E			664136	3637350*	1411	224	80	144
L 00650	R	L	LE		1	3	03	17S	37E			664136	3637350*	1411	224	80	144
L 13235 POD1 ✓	L	LE			3	3	4	05	17S	37E		661591	3636903	1440	140	70	70
L 09581	L	LE			1	3	4	05	17S	37E		661625	3637020*	1442	130	70	60
L 10156	L	LE			3	2	1	10	17S	37E		664453	3636450*	1471	152		
L 11644	L	LE			1	4	05	17S	37E			661720	3637324*	1490	120	61	59
L 06946	L	LE						3	03	17S	37E	664345	3637149*	1493	100	45	55
L 09552	L	LE			3	1	4	05	17S	37E		661619	3637223*	1528	124	65	59
L 11197	L	LE			3	1	4	05	17S	37E		661619	3637223*	1528	158		
L 11583	L	LE			3	4	1	10	17S	37E		664460	3636047*	1554	205		
L 11614	L	LE			3	4	1	10	17S	37E		664460	3636047*	1554	199		
L 11225	L	LE			4	3	2	05	17S	37E		661812	3637625*	1600	180	70	110

*UTM location was derived from PLSS - see Help

(A CLW##### in the
 . POD suffix indicates the
 . POD has been replaced
 . & no longer serves a
 . water right file.)

(R=POD has
 been replaced,
 O=orphaned,
 C=the file is
 closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q	Q	Q	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
			64	16	4										
													Average Depth to Water:	58 feet	
													Minimum Depth:	32 feet	
													Maximum Depth:	80 feet	

Record Count: 26

UTM NAD83 Radius Search (in meters):

Easting (X): 662984

Northing (Y): 3636535

Radius: 1610

Hall Environmental Analysis Laboratory, Inc.

Analytical Report

Lab Order 1306A51

Date Reported: 7/2/2013

CLIENT: Cobalt Energy

Client Sample ID: 1

Project: Cobalt SWQ

Collection Date: 6/24/2013 2:22:00 PM

Lab ID: 1306A51-001

Matrix: AQUEOUS

Received Date: 6/25/2013 1:15:00 PM

Analyses	Result	RL	Qual	Units	DF	Date Analyzed	Batch
EPA METHOD 300.0: ANIONS							Analyst: JRR
Chloride	70	5.0		mg/L	10	6/26/2013 6:10:06 PM	R11606
EPA METHOD 1664A							Analyst: SMS
N-Hexane Extractable Material	ND	5.3	B	mg/L	1	6/29/2013	8120
SM2540C MOD: TOTAL DISSOLVED SOLIDS							Analyst: KS
Total Dissolved Solids	457	20.0		mg/L	1	6/28/2013 1:07:00 PM	8138

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers: * Value exceeds Maximum Contaminant Level.
E Value above quantitation range
J Analyte detected below quantitation limits
O RSD is greater than RSDlimit
R RPD outside accepted recovery limits

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
ND Not Detected at the Reporting Limit
P Sample pH greater than 2 for VOA and TOC only.
RL Reporting Detection Limit

EXHIBIT G

Analytical ReportLab Order **1306A51**Date Reported: **7/2/2013****Hall Environmental Analysis Laboratory, Inc.****CLIENT:** Cobalt Energy**Client Sample ID:** 2**Project:** Cobalt SWQ**Collection Date:** 6/24/2013 2:25:00 PM**Lab ID:** 1306A51-002**Matrix:** AQUEOUS**Received Date:** 6/25/2013 1:15:00 PM

Analyses	Result	RL	Qual	Units	DF	Date Analyzed	Batch
EPA METHOD 300.0: ANIONS							Analyst: JRR
Chloride	72	5.0		mg/L	10	6/26/2013 7:24:35 PM	R11606
EPA METHOD 1664A							Analyst: SMS
N-Hexane Extractable Material	ND	5.4	B	mg/L	1	6/29/2013	8120
SM2540C MOD: TOTAL DISSOLVED SOLIDS							Analyst: KS
Total Dissolved Solids	591	20.0	*	mg/L	1	6/28/2013 1:07:00 PM	8138

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- O RSD is greater than RSDlimit
- R RPD outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- P Sample pH greater than 2 for VOA and TOC only
- RL Reporting Detection Limit

EXHIBIT G

Hall Environmental Analysis Laboratory, Inc.

Analytical Report

Lab Order **1306A51**

Date Reported: 7/2/2013

CLIENT: Cobalt Energy

Client Sample ID: 3

Project: Cobalt SWQ

Collection Date: 6/24/2013 2:30:00 PM

Lab ID: 1306A51-003

Matrix: AQUEOUS

Received Date: 6/25/2013 1:15:00 PM

Analyses	Result	RL	Qual	Units	DF	Date Analyzed	Batch
EPA METHOD 300.0: ANIONS							Analyst: JRR
Chloride	34	5.0		mg/L	10	6/26/2013 7:49:24 PM	R11606
EPA METHOD 1664A							Analyst: SMS
N-Hexane Extractable Material	ND	5.3	B	mg/L	1	6/29/2013	8120
SM2540C MOD: TOTAL DISSOLVED SOLIDS							Analyst: KS
Total Dissolved Solids	391	20.0		mg/L	1	6/28/2013 1:07:00 PM	8138

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- O RSD is greater than RSDlimit
- R RPD outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- P Sample pH greater than 2 for VOA and TOC only.
- RL Reporting Detection Limit

EXHIBIT G

Hall Environmental Analysis Laboratory, Inc.

Analytical Report

Lab Order **1306A51**

Date Reported: 7/2/2013

CLIENT: Cobalt Energy

Client Sample ID: 4

Project: Cobalt SWQ

Collection Date: 6/24/2013 2:33:00 PM

Lab ID: 1306A51-004

Matrix: AQUEOUS

Received Date: 6/25/2013 1:15:00 PM

Analyses	Result	RL	Qual	Units	DF	Date Analyzed	Batch
EPA METHOD 300.0: ANIONS							Analyst: JRR
Chloride	190	50		mg/L	100	6/26/2013 8:51:26 PM	R11606
EPA METHOD 1664A							Analyst: SMS
N-Hexane Extractable Material	ND	5.8	B	mg/L	1	6/29/2013	8120
SM2540C MOD: TOTAL DISSOLVED SOLIDS							Analyst: KS
Total Dissolved Solids	904	20.0	*	mg/L	1	6/28/2013 1:07:00 PM	8138

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- O RSD is greater than RSDlimit
- R RPD outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- P Sample pH greater than 2 for VOA and TOC only.
- RL Reporting Detection Limit

EXHIBIT G

Hall Environmental Analysis Laboratory, Inc.

Date: 09-Dec-11

Analytical Report

CLIENT: Permits West
Lab Order: 1111998
Project: Cobalt Consolidated 3
Lab ID: 1111998-01

Client Sample ID: Section 9 Water Well
Collection Date: 11/26/2011 11:50:00 AM
Date Received: 11/29/2011
Matrix: AQUEOUS

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 1664						Analyst: MAW
N-Hexane Extractable Material	ND	5.0		mg/L	1	12/6/2011
SM2540C MOD: TOTAL DISSOLVED SOLIDS						Analyst: KS
Total Dissolved Solids	394	20.0		mg/L	1	12/2/2011 4:02:00 PM

Qualifiers:

* Value exceeds Maximum Contaminant Level
E Estimated value
J Analyte detected below quantitation limits
NC Non-Chlorinated
PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
MCL Maximum Contaminant Level
ND Not Detected at the Reporting Limit
S Spike recovery outside accepted recovery limits

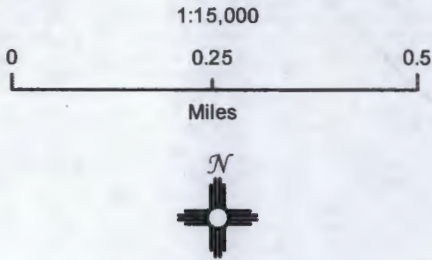
EXHIBIT G

Cobalt Operating LLC

Proposed Proposed Warren #1
Salt Water Disposal Well

Sections 8 & 9, Town 17S, Range 37E
Lea County, New Mexico

- Domestic Well
- Municipal Well
- Sanitation Well
- Livestock Watering Well
- Farm Well (dairy)
- Irrigation Well
- Prospecting or Exploratory Well
- Monitoring Well
- Unknown or Abandoned Well



NAD 1927 New Mexico State Plane East
FIPS 3001 Feet



Prepared by Permits West, Inc., June 14, 2013
for Cobalt Operating, LLC

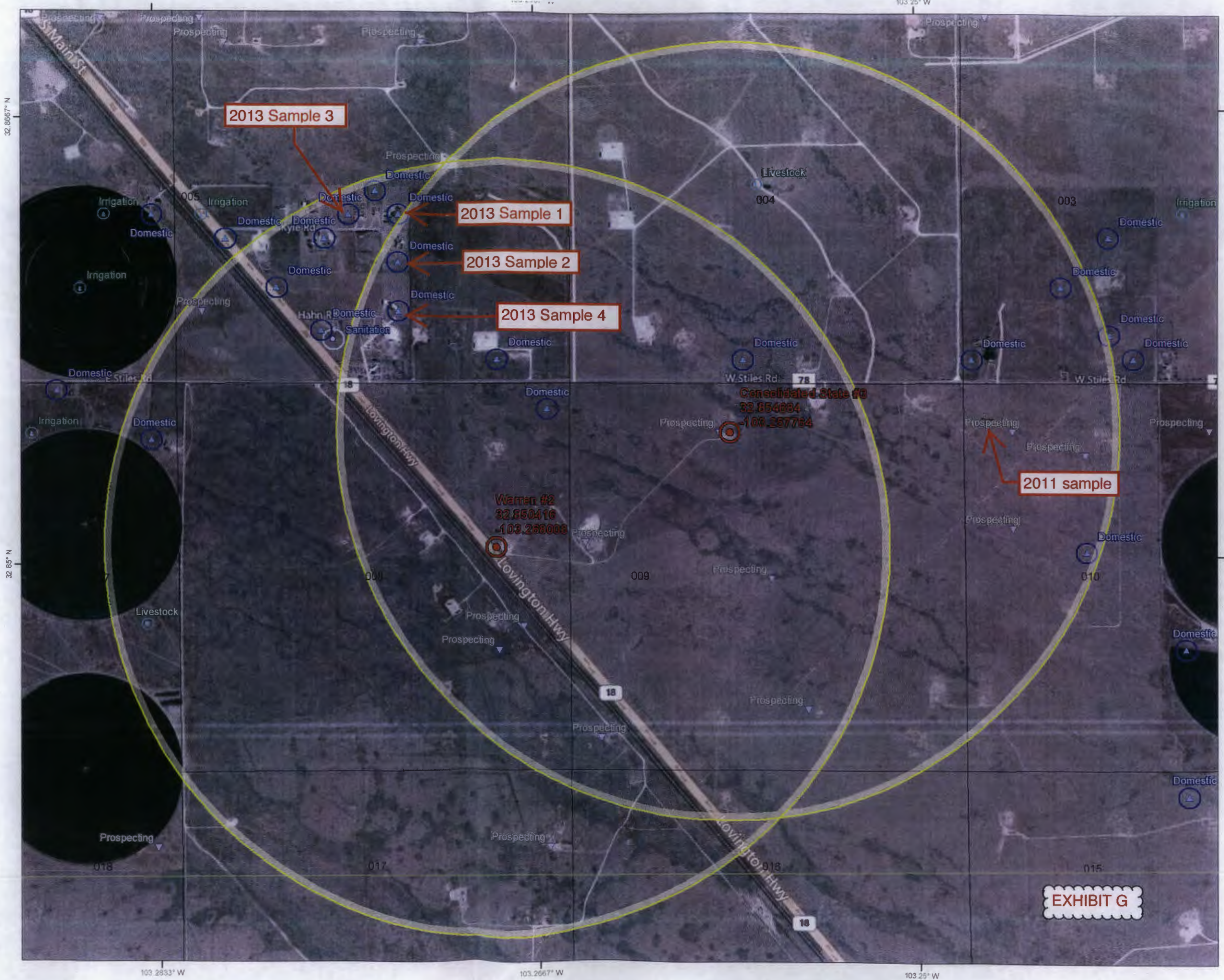


EXHIBIT G



Geologic Hazards Science Center

EHP Quaternary Faults

Search for fault:

Select a state or region map:



EXHIBIT H

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Cindy A. Pfister
4 Ridgeman Ct.
Midland TX 79705

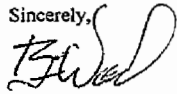
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 7.15

Stamp to:
Cindy A. Pfister
Street, Apt. No., or PO Box No.
City, State, ZIP+4[®]

PS Form 3800, August 2009 See Reverse for Instructions

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Dakota Resources, Inc.
4914 N. Midkiff
Midland TX 79705

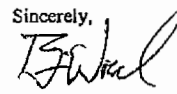
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 7.15

Stamp to:
Dakota Resources
Street, Apt. No., or PO Box No.
City, State, ZIP+4[®]

PS Form 3800, August 2009 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Warren Schneider
115 W. Laurelhurst Circle
The Woodlands TX 77382

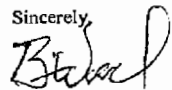
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent to Warren Schneider	
PS Form 3830, August 2008 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Mary Gay Rulla
271 CO RD 563
Brownwood TX 76801

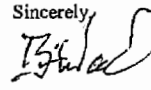
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent to Mary Gay Rulla	
PS Form 3830, August 2008 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Sandra A. Matejek
1323 Waterside Dr.
Dallas TX 75218

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

Postmark
JUL 25 2013
75552

Sent To Sandra A. Matejek
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Claudia D. Wilbourn
12 Stutz Ct.
Midland TX 79705

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

Postmark
JUL 25 2013
75552

Sent To Claudia D. Wilbourn
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

EXHIBIT I

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

B.D. Davis, Jr.
2505 Ella Lee Lane, Houston
Houston TX 7701-6312

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service [™]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to: B.D. DAVIS, JR.	
Street, Apt. No. or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

7013 0600 0001 8713 1596

JUL 25 2013
Postmark
HND
57552

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Pacific Natural Resources, LLC
2505 Ella Lee Lane, Houston
Houston TX 7701-6312

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service [™]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to: PACIFIC NATURAL RESOURCES	
Street, Apt. No. or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

2097 0600 0001 8713 1602

JUL 25 2013
Postmark
HND
57552

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Foundation Income Asset Management
P.O. Box 3627
Tulsa OK 74101

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to Foundation Income Asset Management Street, Apt. No., or PO Box No. City, State, ZIP+4 [®]	
PS Form 3823, August 2006	See Reverse for Instructions

7013 0600 0001 8711 1657

DECOS NM
Postmark Here
JUL 25 2013

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Wright Capital Corp.
500 Chestnut St, Suite 1300
Abilene TX 79602

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to Wright Capital Corp. Street, Apt. No., or PO Box No. City, State, ZIP+4 [®]	
PS Form 3823, August 2006	See Reverse for Instructions

7013 0600 0001 8711 1657

DECOS NM
Postmark Here
JUL 25 2013

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

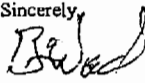
Paul King
UP Holder Reporting Section P.O. Box 12019
Austin TX 78711-2019

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

7013 0600 0001 6711 0957

PS Form 3800, August 2006 See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

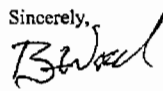
Elizabeth F. Myers
14001 W. 92nd St., #303
Lenexa KS 66215

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

7013 0600 0001 6711 1468

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT I

PERMITS WEST
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Teal Royalties LLC
P.O. Box 660082
Dallas TX 75266-0082

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Sent To: Teal Royalties
To: Apt. No. or PO Box No.
City, State, ZIP+4[®]

PS Form 3800, August 2005 See Reverse for Instructions

PERMITS WEST
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Barbara Sue Brady Schmidt
401 Bay Hill Dr.
Newport Beach CA 92660

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Sent To: Barbara Sue Brady Schmidt
To: Apt. No. or PO Box No.
City, State, ZIP+4[®]

PS Form 3800, August 2005 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Round Hill Royalty Ltd. Partnership
P.O. Box 25128
Dallas TX 75225

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

7013 0600 0001 8711 1541

U.S. Postal Service [®]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	RECOS NW
Certified Fee	Postmark
Return Receipt Fee (Endorsement Required)	JUL 25 2013
Restricted Delivery Fee (Endorsement Required)	57552
Total Postage & Fees \$ 7.17	
Sent to: Round Hill Royalty	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Mary Debora Brady
1804 Lake Crest Ln
Plano TX 75023-7442

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

7013 0600 0001 8711 1541

U.S. Postal Service [®]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	RECOS NW
Certified Fee	Postmark
Return Receipt Fee (Endorsement Required)	JUL 25 2013
Restricted Delivery Fee (Endorsement Required)	87552
Total Postage & Fees \$ 7.17	
Sent to: Mary Debora Brady	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Avis K. Miller
P.O. Box One
Tulsa OK 74193

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

2013 0600 0001 8730 8035

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Sent To: **AVIS K. MILLER**
Street, Apt. No., or PO Box No.:
City, State, ZIP+4:

PS Form 3800, August 2009 See Reverse for Instructions

Postmark Here
JUL 25 2013
52552

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Barbara Jane Dewey
11006 Oregon Curve
Bloomington MN 55438

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

2013 0600 0001 8730 1565

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Sent To: **Barbara Jane Dewey**
Street, Apt. No., or PO Box No.:
City, State, ZIP+4:

PS Form 3800, August 2009 See Reverse for Instructions

Postmark Here
JUL 25 2013
52552

EXHIBIT I

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

William F. Martin
P.O. Box One
Tulsa OK 74103

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 7.17

Postmark
JUL 25 2013
87552

Sent to
William F. Martin
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for instructions

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Francesca R. Miller
908 Forham Dr.
Davis CA 95616

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 7.17

Postmark
JUL 25 2013
87552

Sent to
Francesca R. Miller
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

William K. Warren Foundation
P.O. Box 470372
Tulsa OK 74147-0372

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service [™]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Postmark JUL 25 2013 87552	
Sent to William K. Warren Foundation	
Special App. No. or PO Box No.	
City, State, ZIP+4 [®]	
PS Form 3823, August 2006 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Brady Family Trust
P.O. Box 3039
Fayetteville AR 7202-3039

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service [™]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Postmark JUL 25 2013 87552	
Sent to Brady Family Trust	
Special App. No. or PO Box No.	
City, State, ZIP+4 [®]	
PS Form 3823, August 2006 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Dorchester Minerals OK LP
3838 Oak Lawn, Suite 300
Dallas TX 75219-4541

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent to: Dorchester Minerals OK LP	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3826, August 2006 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Richard Wright Martin
1905 #3 Fairlawn
Austin TX 78704

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent to: Richard Wright Martin	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3826, August 2006 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Kirby Minerals
101 N. Robinson No. 10000
Oklahoma City OK 73102-5514

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Postmark Here
JUL 25 2013
87552

Sent to: Kirby Minerals
Street, Apt. No. or PO Box No.
City, State, ZIP+4

PS Form 3826, August 2008 See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Mary Louise Brady
37 Scarborough Rd.
Manchester CT 06004

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Postmark Here
JUL 25 2013
87552

Sent to: Mary Louise Brady
Street, Apt. No. or PO Box No.
City, State, ZIP+4

PS Form 3826, August 2008 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

F. Bennett Watts
1110 N. Henness Rd. #685
Casa Grande AZ 85122

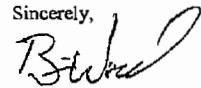
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	7.17
Certified Fee	
Return Receipt Fee (Enforcement Required)	
Restricted Delivery Fee (Enforcement Required)	
Total Postage & Fees	\$7.17
Sent to: F. Bennett Watts	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2005 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Josephsol Rudy Trustee
22499 Imperial Valley Dr.
Houston TX 77073-1173

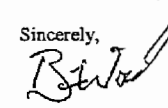
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	7.17
Certified Fee	
Return Receipt Fee (Enforcement Required)	
Restricted Delivery Fee (Enforcement Required)	
Total Postage & Fees	\$7.17
Sent to: Josephsol Rudy Trustee	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2005 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Whitmire Companies, LLC
P.O. Box 3326
Tulsa OK 74101-3326

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) ID = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood
Brian Wood

7013 0600 0001 8711 1558

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
	
Sent To: <u>Whitmire Companies</u> Street, Apt. No., or PO Box No.: City, State, ZIP+4:	
PS Form 3800, August 2008 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Rachel Joan Brady Garrett
616 Woolf Court
Rochelle IL 61068

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) ID = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood
Brian Wood

9680 1718 1000 0090 8102

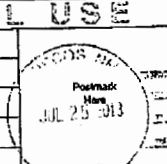
U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
	
Sent To: <u>Rachel Joan Brady Garrett</u> Street, Apt. No., or PO Box No.: City, State, ZIP+4:	
PS Form 3800, August 2008 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Nantucket Resources Group, LC
P.O. Box 2101
Midland TX 79702

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

7013 0600 0001 8711 1527

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	1.52
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to: Nantucket Resources Group, LC	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

7013 0600 0001 8711 1527

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Mary W. Martin
4333 Silver Moss Dr. #201
Vero Beach FL 32963-3434

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

7013 0600 0001 8710 8046

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to: Mary W. Martin	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

7013 0600 0001 8710 8046

EXHIBIT I



July 23, 2013

Nick Jaramillo
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Nick,

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) ID = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent to	NMSLO
Street, Apt. No. or PO Box No.	
City, State, ZIP+4	
PS Form 3823, August 2005 See Reverse for Instructions	



July 23, 2013

Condor Power Company, LLC
2505 Ella Lee Lane
Houston TX 77019-6312

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) ID = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent to	Condor Power Company
Street, Apt. No. or PO Box No.	
City, State, ZIP+4	
PS Form 3823, August 2005 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87505 (505) 466-8120

July 23, 2013

The Trust Humble
 35421 Kanis Rd.
 Paron AR 72122

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$7.17

Sent To: The Trust Humble
 Street, Apt. No.:
 or PO Box No.:
 City, State, ZIP+4

PS Form 3800, August 2005 See Reverse for Instructions

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87505 (505) 466-8120

July 23, 2013

Douglas H. Smith
 3953 Meadowbrook Rd.
 St. Louis Park MN 55426

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$7.17

Sent To: Douglas H. Smith
 Street, Apt. No.:
 or PO Box No.:
 City, State, ZIP+4

PS Form 3800, August 2005 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Tritium Resources, LLC
 3001 N. Big Spring St., Suite 207
 Midland TX 79705

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$7.17

Postmark Here
 JUL 25 2013

Sent To: Tritium Resources
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Yates Petroleum Corporation
 105 South 4th St.
 Artesia NM 88210

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$7.17

Postmark Here
 JUL 25 2013

Sent To: Yates Petroleum
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

CBR Oil Properties, LLC
P.O. Box 1518
Roswell NM 88202-1518

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood
Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17

Sent To: CBR Oil Properties
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Texland Petroleum
777 Main St., Suite 3200
Fort Worth TX 76102

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood
Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17

Sent To: Texland Petroleum
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 468-8120

July 23, 2013

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City OK 73154

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) ID = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood

Brian Wood

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent To: Chesapeake Operating	
Mailing Address: or PO Box No. City, State, ZIP+4	
PS Form 3800, August 2005 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 468-8120

July 23, 2013

Monte Vista Exploration Company, Inc.
P.O. Box 345
Albuquerque NM 87103

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) ID = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood

Brian Wood

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent To: Monte Vista Exploration	
Mailing Address: or PO Box No. City, State, ZIP+4	
PS Form 3800, August 2005 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Enduro Operating, LLC
777 Main St., Suite 800
Fort Worth TX 76102

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.17

Sent To: Enduro Operating
3001 North Big Spring, Suite 207
Midland, TX 79705
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Chevron USA Inc.
P.O. Box 2100
Houston TX 77252

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.17

Sent To: Chevron USA
P.O. Box 2100
Houston, TX 77252
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Conoco Phillips Company
3401 E. 30th St.
Farmington NM 87402

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		\$7.17

PS Form 3800, August 2005 See Reverse for Instructions

7013 0600 0001 8711 1275

RECOS NM JUL 26 2013 87552

Sent To: Conoco Phillips Company
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Crown Oil Partners IV, LP
P.O. Box 50820
Midland TX 79701

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		\$7.17

PS Form 3800, August 2005 See Reverse for Instructions

7013 0600 0001 8711 1275

RECOS NM JUL 26 2013 87552

Sent To: Crown Oil Partners IV
Street, Apt. No., or PO Box No.
City, State, ZIP+4

EXHIBIT I

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Sue Ellen Shafer
1704 Bonita Drive
Knoxville TN 37918

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Registered Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Sent To: Sue Ellen Shafer
Street, Apt. No. or PO Box No.:
City, State, ZIP+4:

PS Form 3800, August 2009 See Reverse for Instructions

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Condor Power Company, LLC
2505 Ella Lee Lane
Houston TX 77019-6312

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

B. Wood

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Registered Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	7.17

Sent To: Condor Power
Street, Apt. No. or PO Box No.:
City, State, ZIP+4:

PS Form 3800, August 2009 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Yesco Energy, LLC
249-8 Yongdap-dong Sungdong-gu
Seoul South Korea 133-851

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

7013 0600 0001 8711 1176

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent To: <u>Yesco Energy</u>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	

Postmark: JUL 25 2013 0755

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Tritium Resources
3001 N Big Spring St. Ste 207
Midland TX 79705

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

0611 1176 1000 0090 8711

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.17
Sent To: <u>Tritium Resources</u>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	

Postmark: JUL 25 2013 0755

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

CBR Oil Properties, LLC
P.O. Box 1518
Roswell NM 88202-1518

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

Postmark Here
JUL 25 2013
57552

Sent To: CBR Oil Properties
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Sage Energy, Inc.
10600 S Road V
Manter KS 67862

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

Postmark Here
JUL 25 2013
57552

Sent To: Sage Energy
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

EXHIBIT I

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 468-8120

July 23, 2013

Pfiefer Energy Company, LLC
480 Willow Dr.
Pittsburgh PA 15243

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent To	Pfiefer Energy Company
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006	See Reverse for Instructions

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 468-8120

July 23, 2013

Harvard Energy Partners, L.P.
P.O. Box 936
Roswell NM 88201

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$7.17
Sent To	Harvard Energy Partners
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006	See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop. Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Stevens, Revocable Trust
P.O. Box 3087
Roswell NM 88202-3087

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service [™]	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.77
Postmark Here JUL 25 2013 87552	
Sent to STEVENS, REVOCABLE TRUST P.O. Box 3087 Roswell, NM 88202-3087	
PS Form 3800, August 2009 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop. Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Lamar B. Roemer, PHD
35 N. Wyden Dr.
Houston TX 77056

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service [™]	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.77
Postmark Here JUL 25 2013 87552	
Sent to Lamar B. Roemer, PhD 35 N. Wyden Dr. Houston, TX 77056	
PS Form 3800, August 2009 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Lauren Corporation
P.O. Box 27830
Denver CO 80227

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17

Sent To: Lauren Corporation
Street, Apt. No., or PO Box No.:
City, State, ZIP+4[®]

PS Form 3800, August 2006 See Reverse for Instructions

PERMITS WEST
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Lucinda Loveless
P.O. Box 8
Hondo NM 88336-0008

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[™] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17

Sent To: Lucinda Loveless
Street, Apt. No., or PO Box No.:
City, State, ZIP+4[®]

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

David Petroleum Corp
116 West First St.
Roswell NM 88203

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	RECORDED
Certified Fee	Postmark Here JUL 25 2013
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$7.17	57557
Sent To: David Petroleum Corp	
Street, Apt. No. or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2003 See Reverse for Instructions	

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Don A. Hood Trust
P.O. Box 1740
Brackettville TX 78832

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	RECORDED
Certified Fee	Postmark Here JUL 25 2013
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$7.17	57557
Sent To: Don A. Hood Trust	
Street, Apt. No. or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2003 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Davoll, Inc.
 P.O. BOX 122269
 Fort Worth TX 76121-2262

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$

Postmark Here
 JUL 25 2013

Sent To Davoll, Inc.
 Street Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3836, August 2003 See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Susan Dee Bergfeld
 2001 South Donnybrook
 Tyler TX 75701

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
 Certified Fee
 Return Receipt Fee (Endorsement Required)
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$7.17

Postmark Here
 JUL 25 2013

Sent To Susan Dee Bergfeld
 Street Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3836, August 2003 See Reverse for Instructions

EXHIBIT I

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Martin Oil & Gas Investments, LLC
9404 Kisoba Terrace
Austin TX 78749

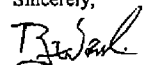
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17

Sent to: Martin Oil & Gas Investments
Street, Apt. No. or PO Box No. _____
City, State, ZIP+4 _____

PS Form 3800, August 2003 See Reverse for Instructions

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Kent R. Ellison
1015 Walts Ave.
Sioux Falls SD 57104

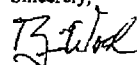
Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17

Sent to: Kent R. Ellison
Street, Apt. No. or PO Box No. _____
City, State, ZIP+4 _____

PS Form 3800, August 2003 See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Carolyn Loveless Schlicher
P.O. Box 606
Roswell NM 88202-0606

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service [®]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to	Carolyn Loveless Schlicher
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2003	See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

John F. Sheridan
151 South Birch St.
Denver CO 80246-1016

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service [®]	
CERTIFIED MAIL [™] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to	John F. Sheridan
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2003	See Reverse for Instructions

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Wilfred W. Martin Jr, Resid Trust
P.O. Box 99084
Fort Worth TX 76113-9974

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee \$
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

Postmark
JUL 25 2013

Delivered to:
Wilfred W. Martin Jr, Resid Trust
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2012 See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Miller Oil & Gas Assets II, LC
P.O. Box 3193
Englewood CO 80155

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) **TD = 12,700'**
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submission Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$
Certified Fee \$
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$7.17

Postmark
JUL 21 2013

Delivered to:
Miller Oil & Gas Assets II
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2012 See Reverse for Instructions

EXHIBIT I

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Judy Meadows
3721 E. Dahlia Drive
Phoenix AZ 85032

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service TM	
CERTIFIED MAILTM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Postmark JUL 25 2013	
Send To: Judy Meadows	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2009 See Reverse for Instructions	

PERMITS WEST .INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Ralph R. Laforge
HC 65 Box 27
Alpine TX 79830

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ~8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service TM	
CERTIFIED MAILTM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Postmark JUL 25 2013	
Send To: Ralph R. Laforge	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2009 See Reverse for Instructions	

EXHIBIT I

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

David A. Remus
2 Conway Circle
Duluth MN 55701

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to	David A. Remus
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008	See Reverse for Instructions

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Myron W. Gunnels
2903 W. Golf Course Rd.
Midland TX 79701-2910

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.17
Sent to	Myron W. Gunnels
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2008	See Reverse for Instructions

EXHIBIT I

PERMITS WEST .INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Tom & Mary Berlin
 #6 Prism Cove Pl.
 The Woodlands TX 77381

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee	\$	
Return Receipt Fee (Endorsement Required)	\$	
Restricted Delivery Fee (Endorsement Required)	\$	
Total Postage & Fees	\$	7.77

Sent to: Tom & Mary Berlin
 Street, Apt. No.:
 or PO Box No.:
 City, State, ZIP+4:

PS Form 3800, August 2009 See Reverse for Instructions

PERMITS WEST .INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120

July 23, 2013

Kristin Wilbourn
 12 Stutz Ct.
 Midland TX 79705

Cobalt Operating, LLC is applying (application attached) to convert its Consolidated State 3 well to a saltwater disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Consolidated State 3 (state lease) TD = 12,700'
Proposed Injection Zone: Devonian (from 11,800' to 12,700')
Location: 660' FNL & 2128' FWL Sec. 9, T. 17 S., R. 37 E., Lea County, NM
Approximate Location: ≈8 air miles southeast of Lovington, NM
Applicant Name: Cobalt Operating, LLC (432) 682-8686
Applicant's Address: 3001 North Big Spring, Suite 207, Midland TX 79705

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	
Certified Fee	\$	
Return Receipt Fee (Endorsement Required)	\$	
Restricted Delivery Fee (Endorsement Required)	\$	
Total Postage & Fees	\$	7.77

Sent to: Kristin Wilbourn
 Street, Apt. No.:
 or PO Box No.:
 City, State, ZIP+4:

PS Form 3800, August 2009 See Reverse for Instructions

EXHIBIT I

Affidavit of Publication

State of New Mexico.

County of Lea.

I, DANIEL RUSSELL
PUBLISHER

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

of 1 issue(s).

Beginning with the issue dated
June 18, 2013

and ending with the issue dated
June 18, 2013



PUBLISHER

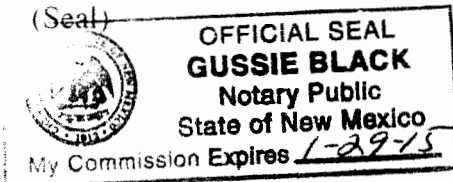
Sworn and subscribed to before me
this 18th day of
June, 2013



Notary Public

My commission expires
January 29, 2015

(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 18, 2013

Cobalt Operating, LLC is applying to convert the Consolidated State #3 to a saltwater disposal well. Disposal will be into the Devonian (11,681' - 12,700'). The well is located 8 miles southeast of Lovington at 660 FNL & 2128 FWL Sec. 9, T. 17 S., R. 37 E., Lea County. Maximum disposal rate will be 2,000 bwpd. Maximum injection pressure will be 2,336 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days. Additional information can be obtained by contacting: Brian Wood, Permits West, Inc., 37 Verano Loop, Santa Fe, NM 87508. Phone number is (505) 466-8120.
#28221

02108485

00116654

BRIAN WOOD
PERMITS WEST
37 VERANO LOOP
SANTA FE, NM 87508

EXHIBIT J



C-108 Review Checklist: Received 07/25/13 Add. Request: — Reply Date: — Suspended: — [Ver 8]

Issued Permit: WFX / PMX / SWD Number: 1438 Permit Date: 09/23/13 Legacy Permits/Orders: * R-13569

Well No. 3 Well Name(s): Consolidated State

API: 30-0 25-29711 Spud Date: 07/15/86 New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 660 FNL / 2128 FNL Lot — Unit C Sec 9 Tsp 17S Rge 37E County Lea

General Location: ~10 miles SE of Lovington Pool: Strawn SWD: San Andres Pool No.: Shipp, Strawn

Operator: Colbalt Operating LLC OGRID: 286255 Contact: Brian Wood

COMPLIANCE RULE 5.9: Inactive Wells: 2 Total Wells: 7 Fincl Assur: Y Compl. Order? N IS 5.9 OK? Yes

Well File Reviewed ☒ Current Status: TA: two attempts to convert to SWD - once into San Andres perfs
02/24/12 (2012) then into Strawn [old perfs 10944-10960]

Well Diagrams: Proposed New ☐ Before Conversion ☒ After Conversion ☒ Are Elogs in Imaging?: Yes - CNL/Dual Ind./Dipmeter

Planned Rehab Work to Well: Re-enter - squeeze SA perfs / deepen / liner w/ cmt to cover Strawn perfs
Call from original drill

Well Construction Details:		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Cond	—	—	—	—	—	—
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface	17 1/2 / 13 3/8	0 to 398	—	350	Circ. to surface	
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Interm Prod	12 1/4 / 8 5/8	0 to 4283	—	1650	Circ. to surface	
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Long Str Prod	7 7/8 / 5 1/2	0 to 11316	8423	1st: 650 / 2nd: 900	Calc. to surface	
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner	4 1/2 / 4	10,850 to 11,800	—	—	Calc. to surface	
Planned <input checked="" type="checkbox"/> or Existing <input checked="" type="checkbox"/> OHY PERF	New drill to 12700	11,800 to 12,700	Inj Length 900	—	—	

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops?
Adjacent Unit: Litho. Struc. Por.	+ 770	Strawn	10934
Confining Unit: Litho. Struc. Por.	+ 567	Atoka Shale	11080
Proposed Inj Interval TOP:	11800	Devonian	11233
Proposed Inj Interval BOTTOM:	12700	Devonian	?
Confining Unit: Litho. Struc. Por.	—	Russellman	?
Adjacent Unit: Litho. Struc. Por.	—	Montoya	?

Completion/Operation Details:	
Drilled TD	11300 PBDT 11261
New TD	12700 New PBDT NA
Open Hole <input checked="" type="checkbox"/> or Perfs <input type="checkbox"/>	Yes
Trailing Size <input type="checkbox"/> Inter Coated? <input checked="" type="checkbox"/>	Yes
Proposed Packer Depth	11700 - 11750
Min. Packer Depth	11700 (100-ft limit)
Proposed Max. Surface Press	2360
Admin Inj. Press	2360 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P Noticed? NA BLM Sec Ord ☒ WIPP ☒ Noticed? NA SALADO: T: 025 B: 2030 CLIFF HOUSE NA

Fresh Water: FW Formation Chalk Max Depth 12030 Analysis? Y Hydrologic Affirm Statement

Disposal Fluid: Formation Source(s) Strawn & Bone Springs Analysis? Y On Lease ☐ Operator Only ☒ Commercial ☒

Disposal Interval: Injection Rate (Avg/Max BWPD): 1500/2000 Protectable Waters: UK CAPITAN REEF: thru No adjacent No

H/C Potential: Producing Interval? Possible - below O/W contact Formerly Producing? No Method: E Log / Mudlog / DST / Depleted / Other Mudlog

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 0 Horizontals? 0

Penetrating Wells: No. Active Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? —

Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? —

NOTICE: Newspaper Date 06/10/13 Mineral Owner SLO Surface Owner SLO N. Date 07/23/13

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Conoco Phillips / Chesapeake / Encino / Monte Vista N. Date 07/23/13

Permit Conditions: Issues: Unknown form, water quality / cmt placement / unknown HC pot.

Add Permit Cond: ① Salinity calculation from E-log ② Mud log for injection interval