

|                         |          |                       |                           |                 |                               |
|-------------------------|----------|-----------------------|---------------------------|-----------------|-------------------------------|
| DATE IN <u>09/05/13</u> | SUSPENSE | ENGINEER <u>PG/DB</u> | LOGGED IN <u>09/05/13</u> | TYPE <u>SWD</u> | APP NO. <u>PPRG1324961272</u> |
|-------------------------|----------|-----------------------|---------------------------|-----------------|-------------------------------|

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 \_\_\_\_\_**

*Blue Sky  
 30-005-60696  
 Twin Lakes San  
 Andres Unit #40*

**[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**

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**[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.

David Catanach  
 Print or Type Name

David Catanach  
 Signature

Agent for Blue Sky NM, Inc.  
 Title

9/5/13  
 Date

drcatanach@netscape.com  
 E-Mail Address

September 5, 2013

Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG  
Division Director

**HAND DELIVERED**

Re: Form C-108  
Blue Sky NM, Inc.  
Twin Lakes San Andres Unit No. 40  
API No. 30-005-60696  
Unit K, Section 31, T-8 South, R-29 East, NMPM,  
Twin Lake-San Andres (Associated) Pool (61570)  
Chaves County, New Mexico

Dear Ms. Bailey,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to re-permit the Twin Lakes San Andres Unit Well No. 40 as a **produced water disposal well** within the Twin Lakes San Andres Unit.

Blue Sky NM, Inc. ("Blue Sky") recently assumed operatorship of the Twin Lakes San Andres Unit. The Twin Lakes San Andres Unit ("Unit Area") was statutorily unitized by Order No. R-8557 dated December 2, 1987. The Unit Area was permitted as a secondary recovery project by Division Order No. R-8611 dated March 11, 1988, and the project was subsequently expanded by Division Order No. R-8611-A dated September 8, 1998. Due to certain non-compliance events attributable to the previous operator of the Unit Area, the Division has recently terminated the injection authority for all injection wells within the project.

Blue Sky intends to re-permit injection wells within the Unit Area and resume secondary recovery operations in the near future. However, in order to commence production operations within the Unit Area, it is necessary to permit a produced water disposal well in order to facilitate the disposal of produced water. To that end, Blue Sky initially seeks authority to re-permit the Twin Lakes San Andres Unit Well No. 40 as a produced water disposal well as a starting point in this endeavor. Injection will occur into the San Andres formation through the perforated interval from 2,697 feet to 2,783 feet.

Extensive geologic and engineering evidence with regards to waterflooding the San Andres interval within the Unit Area were presented to the Division in Case No. 9210, which resulted in the issuance of Order No. R-8557, in Case No. 9211, which

resulted in the issuance of Order No. R-8611, and in Case No. 12023, which resulted in the issuance of Order No. R-8611-A. Due to the extensive geologic and engineering evidence previously presented to the Division with regards to injection within the Unit Area, Blue Sky respectfully requests that this application be processed administratively.

All the required information is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,



David Catanach  
Agent for Blue Sky NM, Inc.  
500 North Main Street  
Suite 622  
Roswell, New Mexico 88201

Xc: OCD-Artesia

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: \_\_\_\_\_ Secondary Recovery \_\_\_\_\_ Pressure Maintenance \_\_\_\_\_ ☒ Disposal \_\_\_\_\_ Storage  
Application qualifies for administrative approval? \_\_\_\_\_ ☒ Yes \_\_\_\_\_ No
- II. OPERATOR: \_\_\_\_\_ Blue Sky NM, Inc. \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ 500 North Main Street, Suite 622 Roswell, New Mexico 88201 \_\_\_\_\_  
CONTACT PARTY: \_\_\_\_\_ Mr. David Catanach-Agent for Blue Sky NM, Inc. \_\_\_\_\_ PHONE: \_\_\_\_\_ (505) 690-9453 \_\_\_\_\_
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? \_\_\_\_\_ Yes \_\_\_\_\_ ☒ No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate 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: \_\_\_\_\_ David Catanach \_\_\_\_\_ TITLE: \_\_\_\_\_ Agent for Blue Sky NM, Inc. \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_ *David Catanach* \_\_\_\_\_ DATE: \_\_\_\_\_ 9/5/13 \_\_\_\_\_  
E-MAIL ADDRESS: \_\_\_\_\_ drcatanach@netscape.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: Case No. 9211 9/9/1987; Case No. 12023 8/6/1998
- DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

### 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.**

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**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.

C-108 Application  
Blue Sky NM, Inc.  
Twin Lakes San Andres Unit No. 40  
Section 31, T-8S, R-29E, NMPM  
Chaves County, New Mexico

- I. The purpose of the application is to request approval to re-permit the Twin Lakes San Andres Unit Well No. 40 (API No. 30-005-60696) located 1650' FSL & 1650' FWL (Unit K) of Section 31, T-8S, R-29E, NMPM, Chaves County, New Mexico as a produced water disposal well within the Twin Lakes San Andres Unit, Twin Lake-San Andres (Associated) Pool, Chaves County, New Mexico.
- II. Blue Sky NM, Inc. ("Blue Sky")  
500 North Main Street, Suite 622  
Roswell, New Mexico 88201  
Contact Party: Mr. David Catanach (505) 690-9453
- III. Injection well data sheet and wellbore diagram for the Twin Lakes San Andres Unit Well No. 40 are attached showing the proposed wellbore configuration.
- IV. This is not an expansion of an existing project however, the Twin Lakes San Andres Unit ("Unit Area") was previously authorized for secondary recovery operations by Division Order No. R-8611 dated March 11, 1988. Due to certain non-compliance events by the previous operator, the Division has recently terminated the injection authority for all injection wells within the Unit Area.
- V. Enclosed is a map that identifies all wells within a ½ mile radius of the Twin Lakes San Andres Unit Well No. 40. This is the well's Area of Review ("AOR").
- VI. Attached are the well construction/plugging data for all wells within the AOR. An examination of AOR well data indicates that all wells are constructed and/or plugged in such a manner so as to confine the injected fluid to the proposed injection interval.
- VII.
  1. The proposed water injection rate is 2,000 BWPD, and the proposed maximum injection rate is 5,000 BWPD. If the average or maximum rates increase in the future, the Division will be notified.
  2. This will be a closed system.
  3. The initial injection pressure will be in compliance with the Division's authorized gradient of 0.2 psi/ft. to the top perforation, or 539 psi. The maximum authorized injection pressure will be determined by step rate injection test.
  4. Produced water from the Twin Lake-San Andres (Associated) Pool originating from wells within the Unit Area will be re-injected into the San

Andres formation within the subject injection well. A representative formation water analysis that was presented in Case No. 9211 is attached. Also attached is a water analysis from the Santa Rosa formation, which was used as a water source when waterflood operations within the Unit Area were initiated in 1988.

5. Injection is to occur into a formation that is oil productive.

|       |                    |  |
|-------|--------------------|--|
| VIII. | Geologic Age:      | Permian  |
|       | Geologic Name:     | San Andres (P1 & P2 Intervals)                   |
|       | Average Thickness: | 59 Feet  |
|       | Lithology:         | Dolomite   |
|       | Measured Depth:    | 2,527'-2,586'                                    |
|       | USDW's:            | Ogallala may be present at depths from 100'-200' |

Attached is Net Pay Isopach Map of the P1 & P2 intervals of the San Andres formation within the Unit Area. Also attached is a geologic cross section showing the continuity of the pay intervals across the Unit Area. Both of these geologic exhibits were originally presented in Cases No. 9210 & 9211.

- IX. No stimulation is planned, however, should a stimulation treatment become necessary, then a 20% NEFE HCL treatment with the appropriate additives will be used.
- X. Logs were filed at the time of drilling.
- XI. Data obtained from the New Mexico State Engineer's Office indicates that there are no fresh water wells located within a one-mile radius of the Twin Lakes San Andres Unit No. 40.
- XII. Affirmative statement is enclosed.
- XIII. Proof of Notice is enclosed. The Twin Lakes San Andres Unit Well No. 40 and the ½-mile notice area are completely contained within the Twin Lakes San Andres Unit Area that is operated by Blue Sky (**See Attached Map**). Consequently, notice of this application is only required to be provided to the owner of the surface where the well is located. This party is identified as follows:

Mr. Bob Nunley  
P.O. Box 308  
Sabinal, Texas 78881

## INJECTION WELL DATA SHEET

OPERATOR: Blue Sky NM, Inc.

WELL NAME & NUMBER: Twin Lakes San Andres Unit No. 40

WELL LOCATION: 1650' FSL & 1650' FWL      K      31      8 South      29 East  
FOOTAGE LOCATION      UNIT LETTER      SECTION      TOWNSHIP      RANGE

### WELLBORE SCHEMATIC

*See Attached Wellbore Schematic*

### WELL CONSTRUCTION DATA

#### Surface Casing

Hole Size: 12 1/2"      Casing Size: 8 5/8" @ 121'  
Cemented with: 75 Sx.      or \_\_\_\_\_ ft<sup>3</sup>  
Top of Cement: Surface      Method Determined: Calculated

#### Intermediate Casing

Hole Size: \_\_\_\_\_ Casing Size: \_\_\_\_\_  
Cemented with: \_\_\_\_\_ or \_\_\_\_\_ ft<sup>3</sup>  
Top of Cement: \_\_\_\_\_ Method Determined: \_\_\_\_\_

#### Production Casing

Hole Size: 7 7/8"      Casing Size: 4 1/2" @ 2,900'  
Cemented with: 125 Sx.      or \_\_\_\_\_ ft<sup>3</sup>  
Top of Cement: 2,280'      Method Determined: Free Pipe Log  
Total Depth: 2,900'      PBTD: \_\_\_\_\_

#### Injection Interval

San Andres Formation:      2,697'-2,783' Perforated



## INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Baker AD-1 Packer or Similar Type Injection Packer

Packer Setting Depth: 2,635' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

### Additional Data

1. Is this a new well drilled for injection:                      Yes       X       No

If no, for what purpose was the well originally drilled: Well was originally drilled in July, 1980 as a producing well in the Twin Lake-San Andres (Associated) Pool.

2. Name of the Injection Formation: San Andres

3. Name of Field or Pool (if applicable): Twin Lake-San Andres (Associated) Pool (61570)

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.

None

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

None

## Proposed Wellbore Configuration

**Blue Sky NM, Inc.**  
**Twin Lakes San Andres Unit No. 40**  
**API No. 30-005-60696**  
**1650' FSL & 1650' FWL, Unit K**  
**Section 31, T-8S, R-29E**

**12 1/2" Hole; Set 8 5/8" J-55 24#  
csg. @ 121' Cemented w/75 sx.  
TOC @ Surface by Calc.**

**Date Drilled: 7/80**

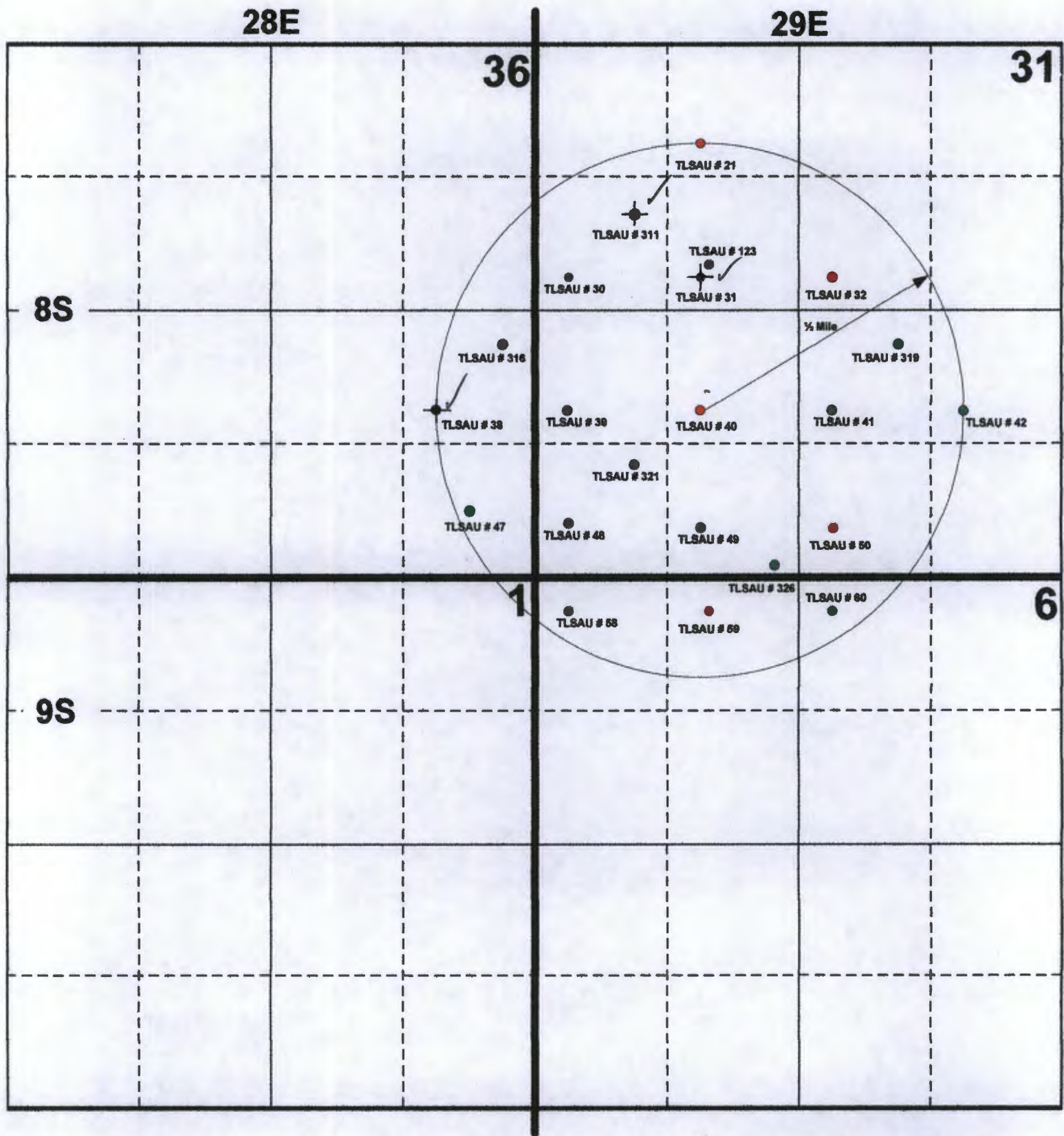
**TOC @ 2,280' by Free Pipe Log**

**2 3/8" 4.7# IPC Tubing set in a Baker AD-1 or Similar  
Type Injection Packer @ 2,635'**

**San Andres Injection Perforations: 2,697'-2,783'**

**7 7/8" Hole; Set 4 1/2" J-55 9.5# csg. @ 2,900'  
Cemented w/125 sx. TOC @ 2,280' determined by  
Free Pipe Log.**

**T.D. 2,900'**



- Injection Well  
(Cancelled Authority)
- Producing Well
- PA'd Well

**Blue Sky NM, Inc.**  
**Form C-108:**  
**Twin Lakes San Andres Unit # 40**  
**1/2-Mile AOR Map**

**BLUE SKY NM, INC.**  
**AREA OF REVIEW WELL DATA**  
**FORM C-108: TWIN LAKES SAN ANDRES UNIT NO. 40**

| API NUMBER   | OPERATOR               | LEASE NAME         | WELL NO. | WELL TYPE | STATUS | FTG INCH | N/S | FTG INCH | IS/W | UNIT | SEC | TANK | RNG. | DATE DRILLED | TOTAL DEPTH | HOLE SIZE | CSG SIZE | SET AT | SK CMT. | CMT TOP | MTD.  | HOLE SIZE | CSG SIZE | SET AT | SK CMT. | CMT TOP  | MTD.          | COMPLETION          | REMARKS                        |
|--|------------------------|--------------------|----------|-----------|--------|----------|-----|----------|------|------|-----|------|------|--------------|-------------|-----------|----------|--------|---------|---------|-------|-----------|----------|--------|---------|----------|---------------|---------------------|--------------------------------|
| 30-005-60595   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 30       | P         | Active | 2310'    | N   | 330'     | W    | E    | 31  | 8S   | 29E  | Oct-79       | 2,860'      | 12 1/2"   | 8 5/8"   | 128'   | 75      | Surface | Circ. | 7 7/8"    | 4 1/2"   | 2,860' | 150     | 2,062'   | Free Pipe Log | 2,661'-2,839' Perf. |                                |
| 30-005-60657   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 39       | P         | Active | 1650'    | S   | 330'     | W    | L    | 31  | 8S   | 29E  | Mar-80       | 2,870'      | 12 1/2"   | 8 5/8"   | 120'   | 75      | Surface | Circ. | 7 7/8"    | 4 1/2"   | 2,870' | 125     | 2,353'   | Calc.         | 2,656'-2,703' Perf. |                                |
| 30-005-60658   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 21       | I         | SI *   | 990'     | N   | 1650'    | W    | C    | 31  | 8S   | 29E  | Feb-80       | 2,907'      | 12 1/2"   | 8 5/8"   | 120'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,907' | 125     | 2,378' * | Free Pipe Log | 2,682'-2,719' Perf. |                                |
| * 4 1/2" casing perforated @ 2,350' & 2,000'. Squeeze cemented 4 1/2" casing @ 2,350' w/150 sx. TOC @ 1,922' by CBL. |                        |                    |          |           |        |          |     |          |      |      |     |      |      |              |             |           |          |        |         |         |       |           |          |        |         |          |               |                     |                                |
| 30-005-60695   | Energy Dev. Corp.      | Twin Lakes SA Unit | 31       | P         | PA     | 2310'    | N   | 1650'    | W    | F    | 31  | 8S   | 29E  | Jun-80       | 2,918'      | 12 1/2"   | 8 5/8"   | 122'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,918' | 125     | 2,411'   | Calc.         | 2,684'-2,725' Perf. | PA'd 3/91. Schematic Attached  |
| 30-005-60697   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 48       | P         | Active | 570'     | S   | 330'     | W    | M    | 31  | 8S   | 29E  | May-80       | 2,799'      | 12 1/2"   | 8 5/8"   | 119'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,799' | 125     | 2,042'   | CBL           | 2,661'-2,744' Perf. |                                |
| 30-005-60767   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 49       | P         | Active | 560'     | S   | 1650'    | W    | N    | 31  | 8S   | 29E  | Sep-80       | 2,898'      | 12 1/2"   | 8 5/8"   | 80'    | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,989' | 175     | 2,280'   | Calc.         | 2,714'-2,731' Perf. |                                |
| 30-005-60768   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 41       | P         | Active | 1650'    | S   | 2310'    | E    | J    | 31  | 8S   | 29E  | Sep-80       | 2,930'      | 12 1/2"   | 8 5/8"   | 80'    | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,930' | 175     | 2,221'   | Calc.         | 2,715'-2,795' Perf. |                                |
| 30-005-60795   | Blue Sky NM            | Twin Lakes SA Unit | 32       | I         | SI *   | 2310'    | N   | 2310'    | E    | G    | 31  | 8S   | 29E  | Oct-80       | 2,861'      | 12 1/2"   | 8 5/8"   | 80'    | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,861' | 175     | 1,576' * | Free Pipe Log | 2,709'-2,789' Perf. |                                |
| * 4 1/2" casing parted @ 1,321'. Squeeze cemented 4 1/2" casing @ 1,321' w/480 sx. cement. TOC @ 920' by CBL.        |                        |                    |          |           |        |          |     |          |      |      |     |      |      |              |             |           |          |        |         |         |       |           |          |        |         |          |               |                     |                                |
| 30-005-60796   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 50       | I         | SI *   | 560'     | S   | 2310'    | E    | O    | 31  | 8S   | 29E  | Nov-80       | 2,888'      | 12 1/2"   | 8 5/8"   | 80'    | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,888' | 200     | 2,020'   | Free Pipe Log | 2,736'-2,834' Perf. |                                |
| 30-005-60802   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 42       | P         | Active | 1650'    | S   | 990'     | E    | I    | 31  | 8S   | 29E  | Oct-80       | 2,951'      | 12 1/2"   | 8 5/8"   | 132'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,951' | 175     | 2,046'   | Free Pipe Log | 2,753'-2,834' Perf. |                                |
| 30-005-62845   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 123      | P         | Active | 2237'    | N   | 1679'    | W    | F    | 31  | 8S   | 29E  | Apr-91       | 3,100'      | 12 1/4"   | 8 5/8"   | 561'   | 345     | Surface | Circ. | 7 7/8"    | 5 1/2"   | 3,096' | 1015    | Surface  | Calc.         | 2,684'-2,761' Perf. |                                |
| 30-005-63187   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 319      | P         | Active | 2310'    | S   | 1650'    | E    | J    | 31  | 8S   | 29E  | Jan-99       | 2,903'      | 12 1/4"   | 8 5/8"   | 116'   | 3 Yd.   | Surface | Circ. | 7 7/8"    | 5 1/2"   | 2,900' | 975     | Surface  | Circ.         | 2,746'-2,796' Perf. |                                |
| 30-005-63188   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 321      | P         | Active | 1110'    | S   | 990'     | W    | M    | 31  | 8S   | 29E  | Dec-98       | 2,816'      | 12 1/4"   | 8 5/8"   | 110'   | 3 Yd.   | Surface | Circ. | 7 7/8"    | 5 1/2"   | 2,814' | 900     | Surface  | Circ.         | 2,670'-2,706' Perf. |                                |
| 30-005-63189   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 326      | P         | Active | 110'     | S   | 2410'    | W    | N    | 31  | 8S   | 29E  | Nov-98       | 2,855'      | 12 1/4"   | 8 5/8"   | 118'   | 3 Yd.   | Surface | Circ. | 7 7/8"    | 5 1/2"   | 2,850' | 900     | Surface  | Circ.         | 2,712'-2,756' Perf. |                                |
| 30-005-63194   | Concho Oil & Gas Corp. | Twin Lakes SA Unit | 311      | P         | PA     | 1700'    | N   | 990'     | W    | E    | 31  | 8S   | 29E  | Jan-99       | 2,815'      | 12 1/4"   | 8 5/8"   | 110'   | 3 Yd.   | Surface | Circ. | 7 7/8"    | 5 1/2"   | 2,812' | 965     | Surface  | Circ.         | 2,668'-2,708' Perf. | PA'd 12/01. Schematic Attached |
| 30-005-60010   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 47       | P         | Active | 660'     | S   | 660'     | E    | P    | 36  | 8S   | 29E  | Feb-67       | 2,730'      | 11"       | 8 5/8"   | 955'   | 200     | 228'    | Calc. | 7 7/8"    | 4 1/2"   | 2,727' | 200     | 1,916'   | Calc.         | 2,623'-2,660' Perf. |                                |
| 30-005-60533   | Concho Resources, Inc. | Twin Lakes SA Unit | 38       | I         | PA     | 1650'    | S   | 990'     | E    | I    | 36  | 8S   | 28E  | Dec-78       | 2,730'      | 12 1/2"   | 8 5/8"   | 38'    | 2 Yd.   | Surface | Circ. | 7 7/8"    | 4 1/2"   | 2,730' | 200     | 1,660'   | Free Pipe Log | 2,600'-2,694' Perf. | PA'd 12/01. Schematic Attached |
| 30-005-63185   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 316      | P         | Active | 2310'    | S   | 330'     | E    | I    | 36  | 8S   | 28E  | Dec-99       | 2,767'      | 12 1/4"   | 8 5/8"   | 110'   | 3 Yd.   | Surface | Circ. | 7 7/8"    | 5 1/2"   | 2,764' | 965     | Surface  | Circ.         | 2,638'-2,684' Perf. |                                |
| 30-005-60807   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 59       | I         | SI *   | 330'     | N   | 1750'    | W    | C    | 6   | 9S   | 29E  | Jan-80       | 2,867'      | 12 1/2"   | 8 5/8"   | 120'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,867' | 175     | 2,123'   | Free Pipe Log | 2,702'-2,787' Perf. |                                |
| 30-005-60824   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 60       | P         | Active | 330'     | N   | 2310'    | E    | B    | 6   | 9S   | 29E  | Dec-80       | 2,950'      | 12 1/2"   | 8 5/8"   | 135'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,950' | 175     | 2,240'   | Calc.         | 2,734'-2,824' Perf. |                                |
| 30-005-61031   | Blue Sky NM, Inc.      | Twin Lakes SA Unit | 58       | P         | Active | 330'     | N   | 330'     | W    | D    | 6   | 9S   | 29E  | Jul-81       | 2,823'      | 12 1/4"   | 8 5/8"   | 133'   | 75      | Surface | Calc. | 7 7/8"    | 4 1/2"   | 2,823' | 200     | 2,012'   | Calc.         | 2,665'-2,743' Perf. |                                |

21 wells - 3 PA / 4 SI / 14 Active

**Energy Development Corporation  
Twin Lakes San Andres Unit No. 31  
API No. 30-005-60695  
2310' FNL & 1650' FWL, Unit F  
Section 31, T-8S, R-29E  
Type Well: Producer**

12 1/2" Hole; 8 5/8" csg. set @ 122'  
Cemented w/75 sx.  
TOC @ Surface by Calc.

**Date Drilled: 6/80**

Perforate 4 1/2" csg. @ 115'.  
Squeezed 4 1/2" x 8 5/8" annulus to  
surface w/35 sx.

**Date PA'd: 3/91**

Perforate csg. @ 1,525'. Set cement  
retainer @ 1,425'. Squeezed w/50 sx.

Set 25 sx. cement plug @ 1,962' ✓  
Tagged plug @ 1,646'

TOC @ 2,411' by Calc.

Set 25 sx. cmt. plug @ 2,659'. Tagged @ 2,438' ✓  
Set an additional 15 sx. cement plug @ 2,438'

San Andres Perforations: 2,684'-2,725' ✓

7 7/8" Hole; 4 1/2" csg. set @ 2,918'  
Cemented w/125 sx. TOC @ 2,411' by calc.

**T.D. 2,918'**

**Form C-108: TLSAU # 40  
Blue Sky NM, Inc.  
PA Schematic: TLSAU 31**



c15K  
DPSubmit 3 Copies  
to Appropriate  
District OfficeState of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.

31-105-60695

5. Indicate Type of Lease

STATE ☐FEE ☒

6. State Oil &amp; Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL  
WELL ☒GAS  
WELL ☐

OTHER

RECEIVED

2. Name of Operator

Energy Development Corporation

APR 19 1991

3. Address of Operator

1000 Louisiana, Ste. 2900, Houston, Tx 77002

O. C. D.  
ARTESIA, OFFICE

7. Lease Name or Unit Agreement Name

Twin Lakes San Andres Unit

8. Well No.

31

9. Pool name or Wildcat

Twin Lakes SA Assoc.

4. Well Location

Unit Letter F : 2310 Feet From The North Line and 1650 Feet From The West LineSection 31 Township 8 South Range 29 East NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3985.6 ft

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

## NOTICE OF INTENTION TO:

## SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐PLUG AND ABANDON ☐REMEDIAL WORK ☐ALTERING CASING ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐COMMENCE DRILLING OPNS. ☐PLUG AND ABANDONMENT ☒PULL OR ALTER CASING ☐CASING TEST AND CEMENT JOB ☐OTHER: ☐OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3-1-91: Worked 2-3/8" tbg into btm stub of parted csg at 1814'. Lowered 2-3/8" tbg to PBTB @ 2880'. PU tbg to 2659'. SD. Waiting on approval to P&amp;A.

3-28-91: RU Halliburton. Circ hole f/2659' w/gelled brine mud. Spotted 25 sxs Class "C" cmt w/4% Calcium Chloride f/2659'. PU tbg &amp; rev out f/2311'. WOC. Lowered tbg &amp; tagged TOC @ 2438'. Spotted an additional 15 sxs cmt @ 2438'. PU tbg to 1962'. Spotted 25 sxs Class "C" w/4% Calcium Chloride. PU tbg to 1551'. Rev out f/1551'. PU tbg to 148' WOC. Lowered tbg &amp; tagged TOC @ 1646'. PU tbg to 1614'. REV out. POOH w/tbg. SDON. Witnessed by Johnny Robinson, Dist. II NMOCB.

3-29-91: RU Schlumberger. WIH WL &amp; shot 4 squeeze holes @ 1525'. POOH WL. WIH w/R-4 pkr on tbg. Set pkr @ 1425'. Established a rate of 3 BPM @ 750 psi. Pumping gelled brine into perfs @ 1525'. POOH w/tbg &amp; pkr. WIH w/cmt retainer on tbg set @ 1425'. Mixed &amp; pumped 50 sxs Class "C" cmt w/2% Calcium Chloride through perfs @ 1525'. Displace tbg w/5 bbls fresh water. Stung out of retainer. Rev out. POOH w/tbg &amp; setting tool

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

SIGNATURE

Steve Yates

TITLE

Production Superintendent

DATE 4-15-91

TYPE OR PRINT NAME

Steve Yates

TELEPHONE NO. 713-750-7314

(This space for State Use)

ORIGINAL SIGNED BY  
MIKE WILLIAMS  
SUPERVISOR, DISTRICT II

APPROVED BY

TITLE

DATE

APR 30 1991

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO.

31-005-60695

5. Indicate Type of Lease  
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Twin Lakes San Andres Unit

8. Well No.  
31

9. Pool name or Wildcat

Twin Lake SA Assoc.

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
OIL WELL ☒ GAS WELL ☐ OTHER ☐ RECEIVED

2. Name of Operator  
Energy Development Corporation ✓ APR 19 1991

3. Address of Operator  
1000 Louisiana, Ste 2900, Houston, TX 77002 O. C. U. ARTESIA, OFFICE

4. Well Location  
Unit Letter F : 2310 Feet From The North Line and 1650 Feet From The West Line

Section 31 Township 8 South Range 29 East NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3985.6 (6.6)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

**NOTICE OF INTENTION TO:**

**SUBSEQUENT REPORT OF:**

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

REMEDIAL WORK ☐

ALTERING CASING ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☒

PULL OR ALTER CASING ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

RU Schlumberger. Perf, 4 sqz holes in 4-1/2" csg @ 115'. POOH. RD WL. Broke circ pumping down 4-1/2" csg up 8-5/8" annulus w/gelled brine mud. M&P 35 sxs Class "C" w/2% Calcium Chloride. Circ cmt to surface. RD Halliburton.

3-30-91: RDP. Installed permanent marker. Cut off anchors below ground level. Cleaned location. Job complete. Now ready for final inspection.

Prod ID-2  
5-3-91  
p4 H

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

SIGNATURE Steve Yates TITLE Production Superintendent DATE 4-15-91

TYPE OR PRINT NAME Steve Yates TELEPHONE NO. 713-750-731

(This space for State Use) ORIGINAL SIGNED BY

MIKE WILLIAMS

APPROVED BY SUPERVISOR, DISTRICT II

TITLE \_\_\_\_\_ DATE APR 30 1991

CONDITIONS OF APPROVAL, IF ANY:

**Concho Oil & Gas Corporation**  
**Twin Lakes San Andres Unit No. 311**  
**API No. 30-005-63194**  
**1700' FNL & 990' FWL, Unit D**  
**Section 31, T-8S, R-29E**  
**Type Well: Producer**

**20 sx. cement  
plug @ surface**

**12 1/4" Hole; 8 5/8" csg. set @ 110'**  
**Cemented w/3 yds. cement**  
**Cement circulated to surface**

**Date Drilled: 1/99**  
**Date PA'd: 12/01**

**Set 25 sx. cement plug 670'-917'**

**Set 25 sx. cement plug 1,306'-1,553'**

**Set 25 sx. cement plug 1,844'-2,091'**

**Set 25 sx. cmt. plug 2,369'-2,616'**

**Perforations: 2,668'-2,708'**

**7 7/8" Hole; 5 1/2" csg. set @ 2,812'**  
**Cemented w/965 sx. Cement circulated to surface**

**T.D. 2,815'**

**Form C-108: TLSAU # 40**  
**Blue Sky NM, Inc.**  
**PA Schematic: TLSAU 311**



Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-103  
Revised March 25, 1999

WELL API NO.  
30005-63194

5. Indicate Type of Lease  
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:  
Twin Lakes San Andres Unit

7. Well No.  
311

8. Pool name or Wildcat  
Twin Lakes; San Andres (Assoc)

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
Oil Well ☒ Gas Well ☐ Other ☐ Injection ☐

2. Name of Operator  
Concho Oil & Gas Corp.

3. Address of Operator  
110 W. Louisiana Ste 410; Midland, Tx 79701

4. Well Location  
Unit Letter D : 1700 Feet from the North line and 990 feet from the West line  
Section 31 Township 8S Range 29E NMPM Chaves County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3978 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO:                        |  | SUBSEQUENT REPORT OF:                               |  |
|--|--|---|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/>    | REMEDIAL WORK <input type="checkbox"/>              | ALTERING CASING <input type="checkbox"/>                 |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>        | COMMENCE DRILLING OPNS. <input type="checkbox"/>    | PLUG AND ABANDONMENT <input checked="" type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> |  |
| OTHER: <input type="checkbox"/>                |  | OTHER: <input type="checkbox"/>                     |  |

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

12-13-01 MIRU Triple N Rig #25. ND WH & LD 1 jt. RIH w/ 84 jts workstring & SDON.

12-14-01 Circ hole w/ mud and tested casing to 500 psi, did not hold. Pumped 25 sx C cmt 2,616 - 2,369'. POOH w/ tbg to 2,091' and pumped 25 sx C cmt 2,091 - 1,844'. POOH w/ tbg to 1,553' and pumped 25 sx C cmt 1,553 - 1,306'. POOH w/ tbg to 917'. Pumped 25 sx C cmt 917 - 670'. POOH w/ tbg. RIH w/ pkr to 30'. Loaded hole, set pkr, pressured up to 500 psi. WOC 2 hrs and released pkr, POOH. RIH w/ tbg and pumped 20 sx C cmt 60' to surface. Final Report P&A.



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

SIGNATURE Terri Stathem TITLE Production Analyst DATE 10-22-01

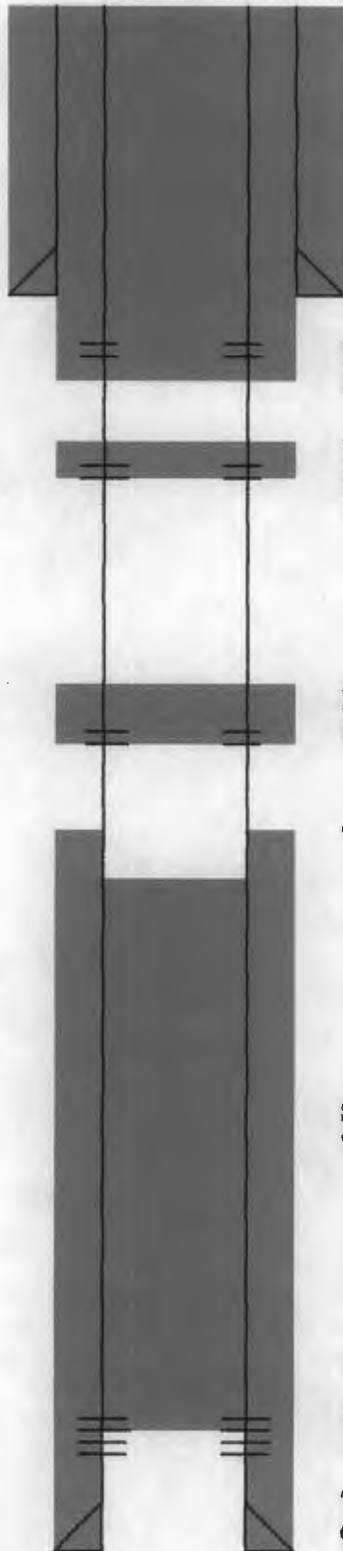
Type or print name Terri Stathem Telephone No. 915/683-7443

(This space for State use)

APPROVED BY [Signature] TITLE Field Rep DATE MAR 14 2002

Conditions of approval, if any:

**Concho Oil & Gas Corporation**  
**Twin Lakes San Andres Unit No. 38**  
**API No. 30-005-60533**  
**1650' FSL & 990' FEL, Unit I**  
**Section 36, T-8S, R-28E**  
**Type Well: Injection**



12 1/2" Hole; 8 5/8" csg. set @ 38'  
Cemented w/2 yds. cement  
Cement circulated to surface

Perforate 4 1/2" csg. @ 120'  
Squeezed 189' to surface w/15 sx. cement

Perforate 4 1/2" csg. @ 880'  
Squeezed 780'-880' w/25 sx. cement

Perforated 4 1/2" csg. @ 1,500'  
Squeezed 1,400'-1,500' w/25 sx. cement

TOC @ 1,660' by Free Point Log ✓

Set 60 sx. cmt. plug 1,800'-2,681' ✓  
Tagged @ 1,800'

Perforations: 2,600'-2,694' ✓

7 7/8" Hole; 4 1/2" csg. set @ 2,730'  
Cemented w/200 sx. TOC @ 1,660' \  
by Free Point Log

**T.D. 2,730'**

**Date Drilled: 12/78**

**Date PA'd: 12/01**

**Form C-108: TLSAU # 40**  
**Blue Sky NM, Inc.**  
**PA Schematic: TLSAU 38**

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

RECEIVED

OCD - ARTESIA

2040 South Pacheco

Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO.

30005-60533

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Twin Lakes San Andres Unit

7. Well No.

38

8. Pool name or Wildcat

Twin Lakes; San Andres (Assoc)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐

Gas Well ☐

Other

Injection

2. Name of Operator

Concho Oil & Gas Corp.

3. Address of Operator

110 W. Louisiana Ste 410; Midland, Tx 79701

4. Well Location

Unit Letter 1 : 1650 Feet from the South line and 990 feet from the East line

Section

36

Township 8S

Range 28E

NMPM

Chaves County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

3956 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

12-05-01 MIRU Derrick WSU. ND WH & POH w/ 10 stds & SDON.

12-06-01 RIH w/ 10 jts prod tbg & PU 75 jts w/s. RU cementer & circ hole w/ mud. Pumped 60 sx C cmt w/ 2% CaCl<sub>2</sub> 2681' - 1808'. POH w/ tbg. RIH w/ pkr on 1 jt & loaded hole. Set pkr. Press up to 500 psi & bled off. WOC 3-1/2 hrs & rel pkr. POH. RIH w/ WL & tagged cmt @ 1800'. PUH & perf csg @ 1500'. POH w/ WL. RIH w/ pkr to 1078'. Loaded hole. Set pkr & est rate of 2 BPM @ 200 psi w/ communication around pkr. Rel pkr & RIH w/ 10 jts to 1386'. Squeezed 25 sx 1500' - 1400'. Rel pkr & POH. SDON.

12-07-01 RIH w/ WL & perf csg @ 880'. RIH w/ pkr to 770'. Loaded hole, set pkr, est rate @ 2 BPM w/ communication. Squeezed 25 sx 880' - 780'. Rel pkr & POH. Loaded hole, set pkr @ 30' & WOC 2 hrs. Rel pkr & POH. RIH w/ WL & perf csg @ 120'. RIH w/ pkr to 30'. Press up to 500 psi - held. LD pkr & RIH w/ tbg to 189' & pumped 15 sx 189' to surface.

P & A FINAL REPORT

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

SIGNATURE Terri Stathem TITLE Production Analyst DATE 12-10-01

Type or print name Terri Stathem Telephone No. 915/483-7443

(This space for State use)

APPROVED BY John Sep TITLE Field Rep DATE FEB 6 2002

Conditions of approval, if any:

Post 194

709 W INDIANA  
MIDLAND, TEXAS 79701  
PHONE 683-4521

### RESULT OF WATER ANALYSES

TO: Mr. Welton D. Moore  
P.O. Box 1417, Roswell, NM

LABORATORY NO. 585360  
SAMPLE RECEIVED 5-21-85  
RESULTS REPORTED 5-28-85

COMPANY Pelto Oil Company LEASE Twin Lakes Pilot Waterflood  
FIELD OR POOL Twin Lakes  
SECTION      BLOCK      SURVEY      COUNTY Chaves STATE NM

**SOURCE OF SAMPLE AND DATE TAKEN:**

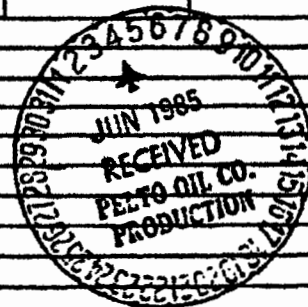
|       |   |           |
|-------|---|-----------|
| NO. 1 | Raw water - taken from water supply well #1. 5-21-85                      | SW of F#6 |
| NO. 2 | Raw water - taken from water supply well #2. 5-21-85                      | Near F#7  |
| NO. 3 | Produced water - taken from salt water disposal #1 transfer pump. 5-21-85 |           |
| NO. 4 | Produced water - taken from salt water disposal #2 transfer pump. 5-21-85 |           |

REMARKS: 1. Dakota 2. Santa Rosa 900' 3. & 4. San Andres

| CHEMICAL AND PHYSICAL PROPERTIES     |        |        |         |         |
|--------------------------------------|--------|--------|---------|---------|
|                                      | NO. 1  | NO. 2  | NO. 3   | NO. 4   |
| Specific Gravity at 80° F.           | 1.0228 | 1.0133 | 1.1483  | 1.1453  |
| pH When Sampled                      | 7.3    | 7.7    | 6.9     | 6.9     |
| pH When Received                     | 6.85   | 7.62   | 6.32    | 6.35    |
| Bicarbonate as HCO <sub>3</sub>      | 415    | 185    | 976     | 1,098   |
| Supersaturation as CaCO <sub>3</sub> | 12     | 2      | 180     | 180     |
| Undersaturation as CaCO <sub>3</sub> | ---    | ---    | ---     | ---     |
| Total Hardness as CaCO <sub>3</sub>  | 5,350  | 1,020  | 12,400  | 13,800  |
| Calcium as Ca                        | 568    | 196    | 3,200   | 3,440   |
| Magnesium as Mg                      | 955    | 129    | 1,069   | 1,264   |
| Sodium and/or Potassium              | 5,608  | 3,906  | 88,552  | 81,480  |
| Sulfate as SO <sub>4</sub>           | 8,548  | 3,945  | 3,682   | 3,630   |
| Chloride as Cl                       | 5,895  | 3,728  | 142,038 | 132,095 |
| Iron as Fe                           | 0.43   | 5.5    | 2.8     | 0.04    |
| Barium as Ba                         | 0      | 0      | 0       | 0       |
| Turbidity, Electric                  | 0      | 9      | 60      | 12      |
| Color as Pt                          | 0      | 0      | 0       | 0       |
| Total Solids, Calculated             | 21,988 | 12,090 | 239,517 | 223,006 |
| Temperature °F.                      | 66     | 68     | 76      | 88      |
| Carbon Dioxide, Calculated           | 34     | 6      | 205     | 231     |
| Dissolved Oxygen, Winkler            | 0.8    | 0.0    | 0.0     | 0.0     |
| Hydrogen Sulfide                     | 0.0    | 0.0    | 62.5    | 62.5    |
| Resistivity, ohms/m at 77° F.        | 0.340  | 0.550  | 0.052   | 0.053   |
| Suspended Oil                        |        |        | 440     | 9       |
| Filtrable Solids as mg/l             | 0.68   | 7.7    | 77.6    | 11.7    |
| Volume Filtered, ml                  | 10,000 | 4,000  | 700     | 2,000   |
|                                      |        |        |         |         |
|                                      |        |        |         |         |

Results Reported As Milligrams Per Liter

### Additional Determinations And Remarks



Form No. 3

By



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# *New Mexico Office of the State Engineer* **Water Column/Average Depth to Water**

---

No records found.

**PLSS Search:**

**Section(s):** 30-31

**Township:** 08S

**Range:** 29E

**Form C-108: TLSAU # 40  
Blue Sky NM, Inc.  
Fresh Water Data**

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The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

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8/28/13 6:33 AM

Page 1 of 1

WATER COLUMN/ AVERAGE  
DEPTH TO WATER



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# *New Mexico Office of the State Engineer* **Water Column/Average Depth to Water**

---

No records found.

**PLSS Search:**

Section(s): 25, 36

Township: 08S

Range: 28E

**Form C-108: TLSAU # 40  
Blue Sky NM, Inc.  
Fresh Water Data**

---

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

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8/28/13 6:36 AM

Page 1 of 1

**WATER COLUMN/ AVERAGE  
DEPTH TO WATER**



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# *New Mexico Office of the State Engineer* **Water Column/Average Depth to Water**

---

No records found.

**PLSS Search:**

Section(s): 1

Township: 09S

Range: 28E

**Form C-108: TLSAU # 40  
Blue Sky NM, Inc.  
Fresh Water Data**

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The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

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8/28/13 6:36 AM

Page 1 of 1

**WATER COLUMN/ AVERAGE  
DEPTH TO WATER**



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# *New Mexico Office of the State Engineer* **Water Column/Average Depth to Water**

---

No records found.

**PLSS Search:**

Section(s): 5-6

Township: 09S

Range: 29E

**Form C-108: TLSAU # 40  
Blue Sky NM, Inc.  
Fresh Water Data**

---

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

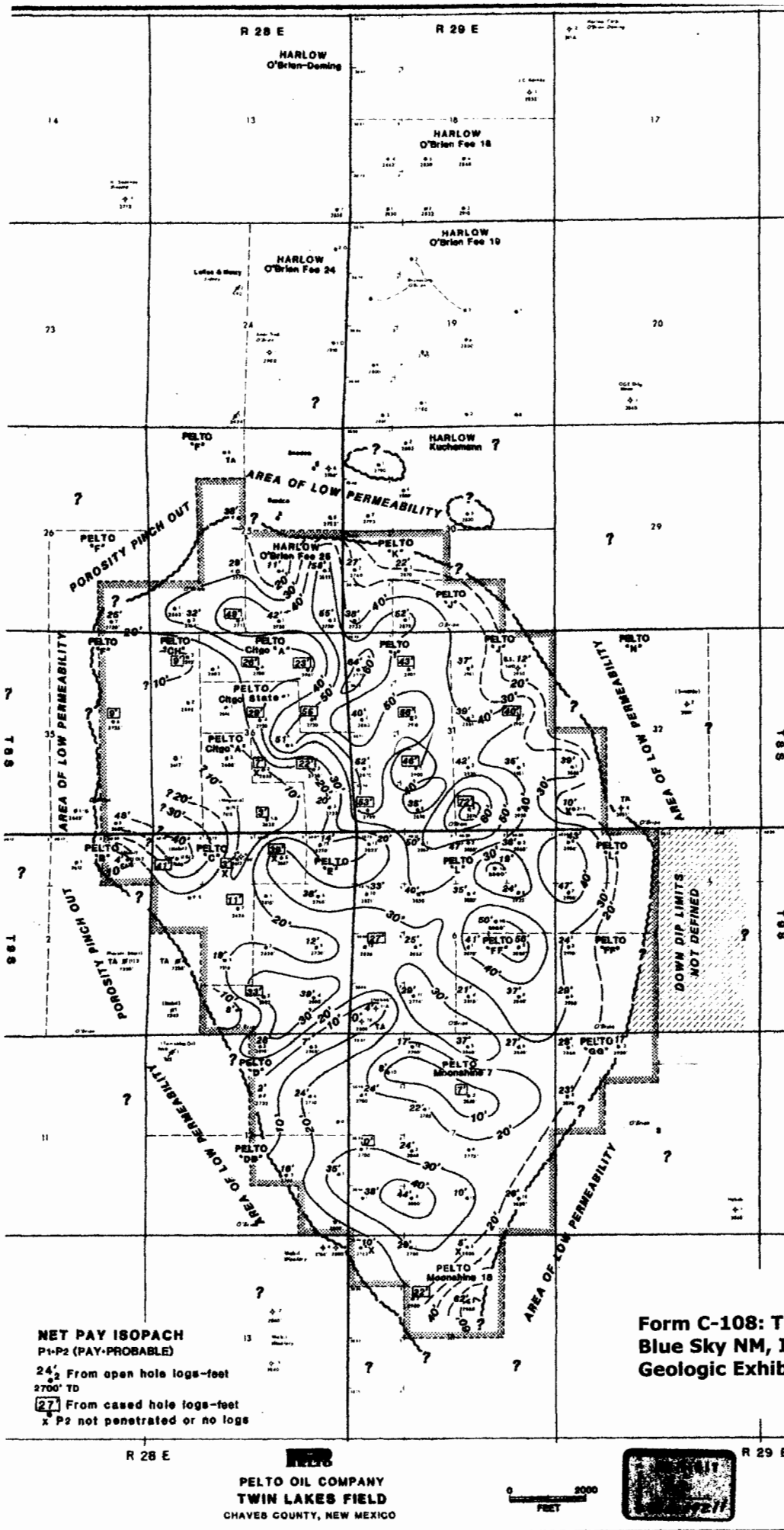
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8/28/13 6:37 AM

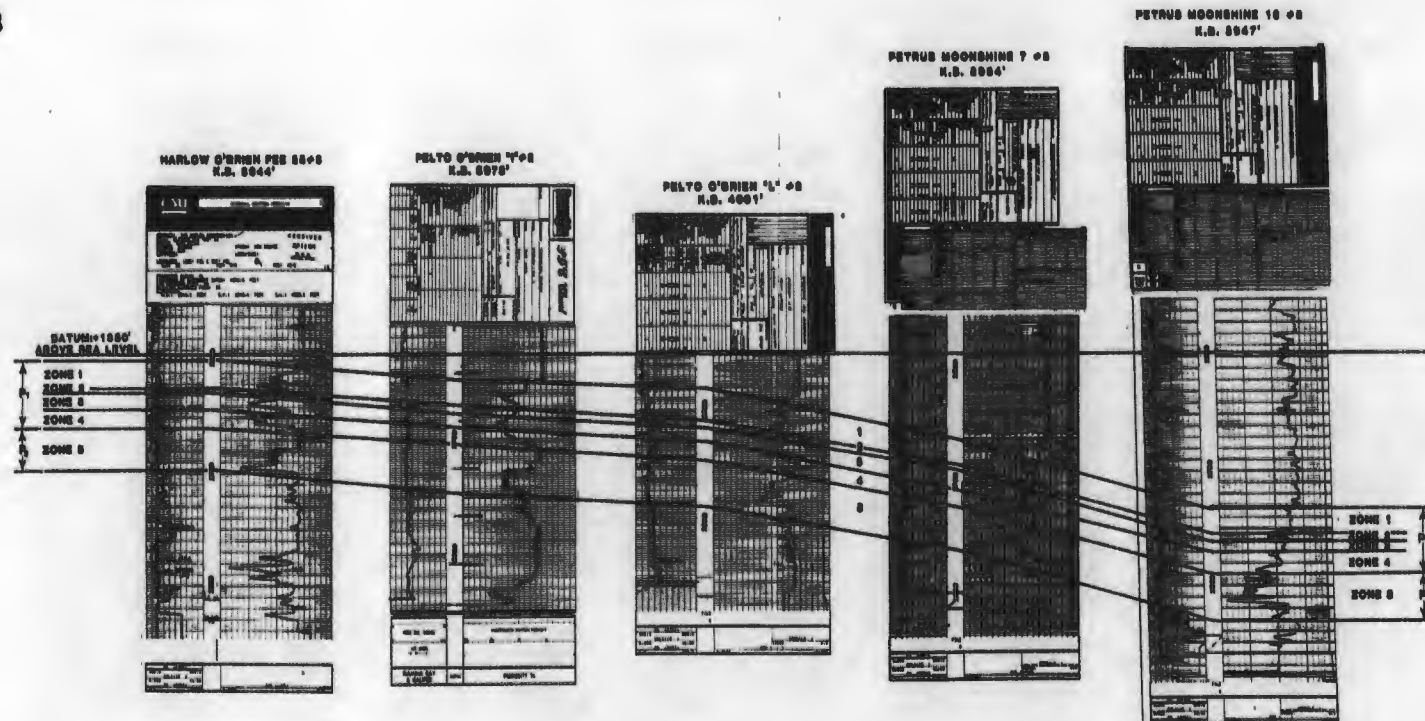
Page 1 of 1

WATER COLUMN/ AVERAGE  
DEPTH TO WATER





B



B'



**PETRO**  
PETRO OIL COMPANY  
**B-B' PAY CONTINUITY CROSS SECTION**  
TWIN LAKES (SAN ANDRES), FIELD  
GRAVES COUNTY, NEW MEXICO  
NO HORIZONTAL SCALE



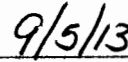
Form C-108: TLAU # 40  
Blue Sky NM, Inc.  
Geologic Exhibit

Form C-108  
Affirmative Statement  
Blue Sky NM, Inc.  
Twin Lakes San Andres Unit No. 40  
Section 31, T-8 South, R-29 East, NMPM,  
Chaves County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.



David Catanach  
Agent for Blue Sky NM, Inc.



Date

**Form C-108  
Blue Sky NM, Inc.  
Twin Lakes San Andres Unit No. 40  
Section 31, T-8 South, R-29 East, NMPM  
Chaves County, New Mexico**

**The following-described legal notice will be published in the:**

**Roswell Daily Record  
2301 N. Main  
Roswell, New Mexico 88201**

**The Affidavit of Publication will be forwarded to the Division upon receipt by Blue Sky NM, Inc.**

**LEGAL NOTICE**

**Blue Sky NM, Inc., 500 North Main Street, Suite 622, Roswell, New Mexico 88201 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to re-permit the following-described well as a produced water disposal well within the Twin Lakes San Andres Unit, Twin Lake-San Andres (Associated) Pool, Chaves County, New Mexico:**

**TLSAU Well No. 40 (API No. 30-005-60696) 1650' FSL & 1650' FWL (Unit K)  
Section 31, T-8S, R-29E  
Injection Interval: 2,697'-2,783'**

**Produced water will be injected into the San Andres formation at average and maximum rates of 2,000 BWPD and 5,000 BWPD, respectively. The average surface injection pressure is 539 psi, and the maximum surface injection pressure will be determined by step rate test.**

**Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication. Additional information can be obtained by contacting Mr. David Catanach, Agent for Blue Sky NM, Inc., at (505) 690-9453.**

28E

29E

26

25

30

8S

35

36

31

TLSAU # 40

1/2 Mile

2

1

6

9S

11

12

7

Form C-108: TLSAU # 40  
Blue Sky NM, Inc.  
Unit Outline/Notice Area

4

13

18

— Twin Lakes San Andres Unit Boundary

September 5, 2013

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: Mr. Bob Nunley  
P.O. Box 308  
Sabinal, Texas 78881

Re: Blue Sky NM, Inc.  
Form C-108 (Application for Authorization to Inject)  
Twin Lakes San Andres Unit Well No. 40  
API No. 30-005-60696  
1650' FSL & 1650' FWL, Unit K, Section 31, T-8S, R-29E, NMPM,  
Chaves County, New Mexico

Mr. Nunley:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Blue Sky NM, Inc. ("Blue Sky") Twin Lakes San Andres Unit Well No. 40. You are being provided a copy of the application as the owner of the surface where the well is located. Blue Sky proposes to re-permit this well as a produced water disposal well in the San Andres formation, injection to occur through the perforated interval from 2,697 feet to 2,783 feet.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (505) 690-9453.

Sincerely,



David Catanach-Agent  
Blue Sky NM, Inc.  
500 North Main Street  
Suite 622  
Roswell, New Mexico 88201

Enclosure

7013 0600 0001 8715 1455

| U.S. Postal Service™   |         |
|--|---------|
| <b>CERTIFIED MAIL™ RECEIPT</b>   |         |
| <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>                                    |         |
| For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a> ® |         |
| SABINAL TX 78881   |         |
| Postage  | \$ 2.58 |
| Certified Fee  | \$3.10  |
| Return Receipt Fee<br>(Endorsement Required)   | \$2.55  |
| Restricted Delivery Fee<br>(Endorsement Required)  | \$0.00  |
| To: _____  | \$8.23  |
| <div>Mr. Bob Nunley<br/>P.O. Box 308<br/>Sabinal, Texas 78881</div>                            |         |
| PS Form 3800, January 2002 (Rev. 11-2003) For instructions                                     |         |

0501  
SEP - 5 2013  
CORONADO STATION  
SANTA FE NM 87505



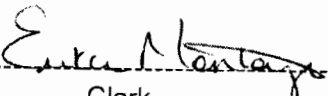
AFFIDAVIT OF PUBLICATION  
STATE OF NEW MEXICO

I, Erika Montoya  
Legals Clerk

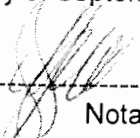
Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

One time with the issue dated

September 8, 2013

-----  
  
Clerk

Sworn and subscribed to before me  
this 9th day of September, 2013

-----  
  
Notary Public

My Commission expires  
June 13, 2014

(SEAL)

Publish September 8, 2013

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Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication. Additional information can be obtained by contacting Mr. David Catanach, Agent for Blue Sky NM, Inc., at (505) 690-9453.





**C-108 Review Checklist:** Received 09/05/13 Add. Request: — Reply Date: — Suspended: — [Ver 8]

Issued Permit: WFX / PMK / SWD Number: 1443 Permit Date: 09/27/13 Legacy Permits/Orders: R-8611

Well No. 40 Well Name(s): Twin Lakes San Andres Unit

IPI-165  
R-8611A

API: 30-0 05-60696 Spud Date: 07/07/80 New or Old: (Old) (UIC Class II Primacy 03/07/1982)

Footages 1650 FSL/1650 FWL Lot — Unit K Sec 31 Tsp 8S Rge 29E County Chaves

General Location: Near Red Lakes south of Clovis Hwy NE of Roswell Pool: Twin Lakes - San Andres (Associated Pool) Pool No.: 61570

Operator: Blue Sky NM, Inc. OGRID: 300825 Contact: D. Cutanach

COMPLIANCE RULE 5.9: Inactive Wells: (40) Total Wells: 80 Fincl Assur: (Yes for 40) Compl. Order? No \*S 5.9 OK? Yes

Well File Reviewed (✓) Current Status: Injection well / inactive (not TA or P&A) \*Change in ownership from Canyon to

Well Diagrams: Proposed New (○) Before Conversion (○) After Conversion (✓) Are Elogs in Imaging?: Comp Network Blue Sky NM

Planned Rehab Work to Well: None except for new tubing SI wells pending approval of Dist II

| Well Construction Details:                          |  | Sizes (in)<br>Borehole / Pipe | Setting<br>Depths (ft) | Stage<br>Tool         | Cement<br>Sx or Cf | Cement Top and<br>Determination Method |
|---|--|-------------------------------|------------------------|-----------------------|--------------------|--|
| Planned <u>—</u> or Existing <u>—</u> Cond          |  | <u>—</u>                      | <u>—</u>               |                       | <u>—</u>           | <u>—</u>                               |
| Planned <u>—</u> or Existing <u>(✓)</u> Surface     |  | <u>12 1/2 / 8 5/8</u>         | <u>0 to 121</u>        |                       | <u>75</u>          | <u>Surface - calc.</u>                 |
| Planned <u>—</u> or Existing <u>(✓)</u> Intern/Prod |  | <u>7 7/8 / 4 1/2</u>          | <u>0 to 2900</u>       | <u>NA</u>             | <u>125</u>         | <u>2280' - free pipe log</u>           |
| Planned <u>—</u> or Existing <u>—</u> Long St/Prod  |  | <u>—</u>                      | <u>—</u>               | <u>—</u>              | <u>—</u>           | <u>—</u>                               |
| Planned <u>—</u> or Existing <u>—</u> Liner         |  | <u>—</u>                      | <u>—</u>               | <u>—</u>              | <u>—</u>           | <u>—</u>                               |
| Planned <u>—</u> or Existing <u>(✓)</u> OH (PERF)   |  | <u>7 7/8 / 4 1/2</u>          | <u>2,697 - 2783</u>    | <u>Inj Length 86'</u> |                    |  |

| Injection Stratigraphic Units:     |              | Depths (ft)          | Injection or Confining<br>Units | Tops? |
|------------------------------------|--------------|----------------------|---------------------------------|-------|
| Adjacent Unit: Litho. Struc. Por.  | <u>+1037</u> | <u>Salado</u>        | <u>900</u>                      |       |
| Confining Unit: Litho. Struc. Por. | <u>+632</u>  | <u>Artesia Group</u> | <u>1660</u>                     |       |
| Proposed Inj Interval TOP:         | <u>2697</u>  | <u>San Andres</u>    | <u>2065</u>                     |       |
| Proposed Inj Interval BOTTOM:      | <u>2783</u>  | <u>fm</u>            |                                 |       |
| Confining Unit: Litho. Struc. Por. | <u>—</u>     | <u>Glorieta</u>      | <u>—</u>                        |       |
| Adjacent Unit: Litho. Struc. Por.  | <u>—</u>     | <u>—</u>             | <u>—</u>                        |       |

| Completion/Operation Details:            |                          |
|--|--------------------------|
| Drilled TD <u>2900</u>                   | PBTD <u>2900</u>         |
| New TD <u>NA</u>                         | New PBTD <u>NA</u>       |
| Open Hole <u>(○)</u> or Perfs <u>(✓)</u> |                          |
| Tubing Size <u>2 3/8</u>                 | Inter Coated? <u>Yes</u> |
| Proposed Packer Depth <u>2635</u>        |                          |
| Min. Packer Depth <u>2597</u>            | (100-ft limit)           |
| Proposed Max. Surface Press <u>539</u>   |                          |
| Admin Inj. Press <u>539</u>              | (0.2 psi per ft)         |

#### AOR: Hydrologic and Geologic Information

POTASH: R-111-P (NA) Noticed? NA BLM Sec Ord (NA) WIPP (NA) Noticed? NA SALADO: T: 920 B: 1660 CLIFF HOUSE NA

Fresh Water: FW Formation Alluvial on Max Depth ~800 Wells? 0 Analysis? NA Hydrologic Affirm Statement Yes

Disposal Fluid: Formation Source(s) bedrock San Andres from Analysis? Yes On Lease (✓) Operator Only (○) or Commercial (○)

Disposal Interval: Injection Rate (Avg/Max BWPD): 2000/5000 Protectable Waters: No CAPITAN REEF: thru No adjacent No

H/C Potential: Producing Interval? \* Formerly Producing? Yes Method: E Log Mudlog/DST/Depleted/Other —

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 21 Horizontals? 0

Penetrating Wells: No. Active Wells 18 Num Repairs? 0 on which well(s)? — Diagrams? Yes/Case

Penetrating Wells: No. P&A Wells 3 Num Repairs? 0 on which well(s)? — Diagrams? Yes

NOTICE: Newspaper Date 09/08/2013 Mineral Owner Fee Surface Owner (Fee) - Mr. Bob N. Date 09/05/13

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Blue Sky - sole owner Nunley N. Date NA

Permit Conditions: Issues: \* Re-establishment of Unit to occur - injection authority for SWD ends

Add Permit Cond: only Twin Lakes San Andres Unit wells produced water

(2) District II must observe MIT