

DATE IN 1/7/13	SUSPENSE	ENGINEER WJ	LOGGED IN	TYPE SWD 1390	APP NO. DWJ 1303531748
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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 \_\_\_\_\_
- Murchison Oil & Gas, Inc.  
 Yogi Bear State Com 1  
 30-015-32216

- [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

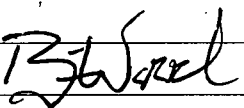
[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[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		Consultant	1-5-13
Print or Type Name	Signature	Title	Date
		brian@permitswest.com	
		e-mail Address	

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance XXX Disposal Storage  
Application qualifies for administrative approval? Yes No
- II. OPERATOR: MURCHISON OIL & GAS, INC.  
ADDRESS: 1100 MIRA VISTA BLVD., PLANO TX 75093  
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:
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.).
- Yogi Bear State Com 1**  
**30-015-32216**  
**SWD; Cisco-Canyon**
- \*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: JAN. 4, 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.

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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.

Side 1

## INJECTION WELL DATA SHEET

OPERATOR: MURCHISON OIL & GAS, INC.

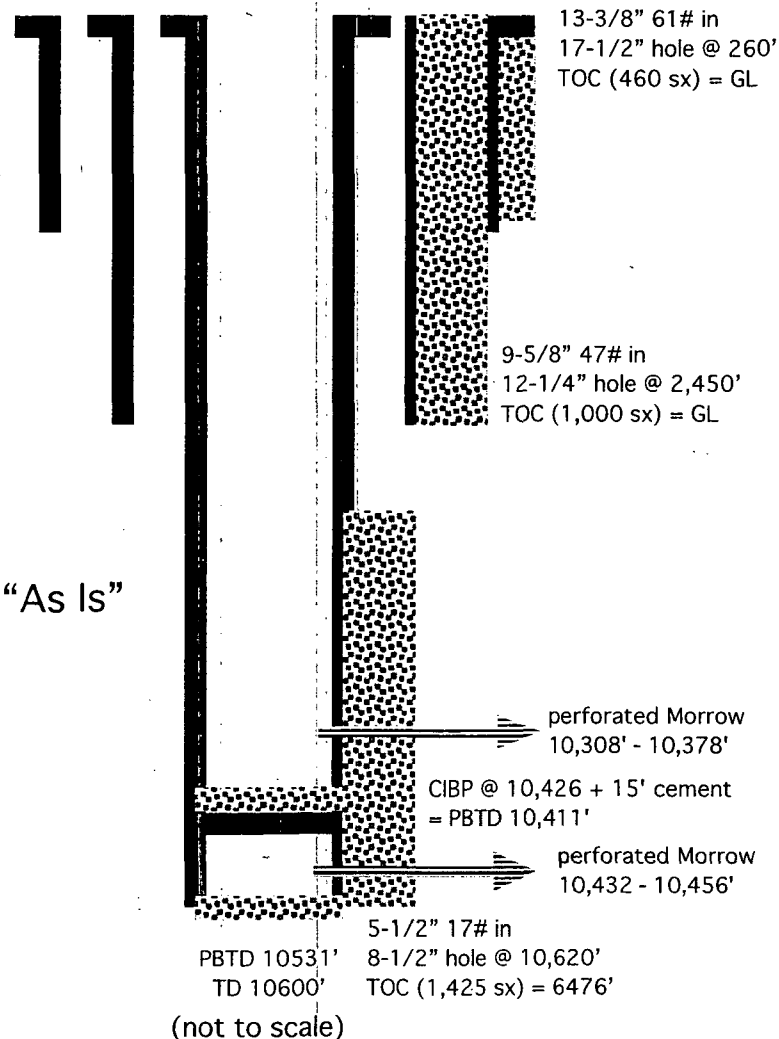
WELL NAME & NUMBER: YOGI BEAR STATE COM 1

WELL LOCATION:	1750 FNL & 660 FEL	H	12	17 S	28 E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

### WELLBORE SCHEMATIC

**WELL CONSTRUCTION DATA**

## Surface Casing



Hole Size: 17-1/2" Casing Size: 13-3/8"  
Cemented with: 460 sx. *or*                      ft<sup>3</sup>  
Top of Cement: SURFACE Method Determined: VISUAL

### Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"  
Cemented with: 1,000 sx. *or*                      ft<sup>3</sup>  
Top of Cement: SURFACE Method Determined: CIRC. 140 SX

### Production Casing

Hole Size:	8-1/2 "	Casing Size:	5-1/2 "
Cemented with:	1 , 425	sx:	<i>or</i> _____ ft <sup>3</sup>
Top of Cement:	6 , 476 '	Method Determined:	CBL
Total Depth:	10 , 620 '		

### Injection Interval

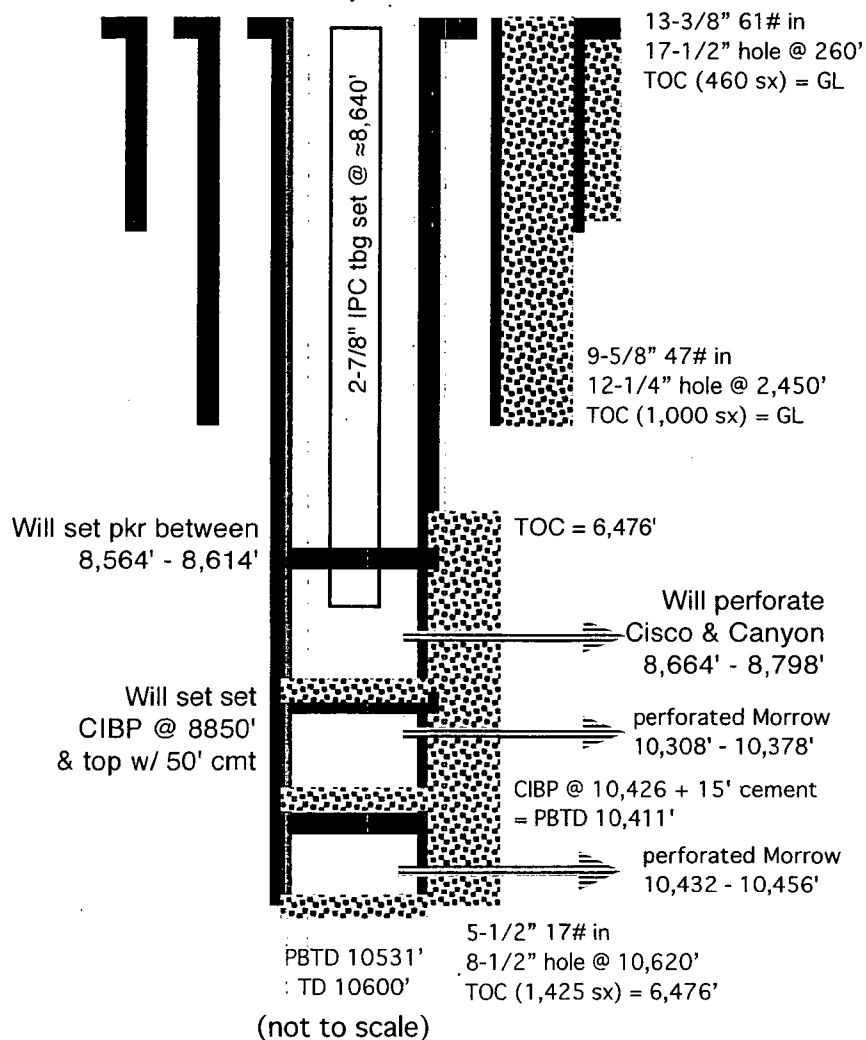
8,664'                      feet to                      8,798'

17328 (Perforated or ~~Open Hole~~; indicate which)

WELL LOCATION:	1750 FNL & 660 FEL	H	12	17 S	28 E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

### WELL CONSTRUCTION DATA

## Surface Casing



Hole Size: 17-1/2" Casing Size: 13-3/8"  
Cemented with: 460 sx. *or*  ft<sup>3</sup>  
Top of Cement: SURFACE Method Determined: VISUAL

### Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"  
Cemented with: 1,000 sx. *or*                      ft<sup>3</sup>  
Top of Cement: SURFACE Method Determined: CIRC. 140 SX

### Production Casing

Hole Size: 8-1/2" Casing Size: 5-1/2"  
Cemented with: 1,425 sx. *or* \_\_\_\_\_ ft<sup>3</sup>  
Top of Cement: 6,476' Method Determined: CBL  
Total Depth: 10,620'

### Injection Interval

8,664'                      feet to                      8,798'

(Perforated or Open Hole; indicate which)

**INJECTION WELL DATA SHEET**

Tubing Size: 2-7/8" Lining Material: PLASTIC  
 Type of Packer: ARROW SET PLASTIC COATED 2-7/8 X 5-1/2 10K  
 Packer Setting Depth: 8,554' - 8,614'  
 Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes XXX No  
 If no, for what purpose was the well originally drilled? GAS WELL (MORROW)  
 \_\_\_\_\_
2. Name of the Injection Formation: CISCO & CANYON
3. Name of Field or Pool (if applicable): SWD; CISCO-CANYON (96186)
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. \_\_\_\_\_  
MORROW PERFORATED IN 2002: 10432' - 10456'  
CIBP SET IN 2006 @ 10426' + 15' CEMENT & MORROW PERFORATED 10308' - 10378'
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_  
OVER: QUEEN (1610), GRAYBURG (1858'), SAN ANDRES (2410'),  
GLORIETA (3740'), & ABO (5856)  
UNDER: ATOKA (9933') & MORROW (10286')

MURCHISON OIL & GAS, INC.  
YOGI BEAR STATE COM 1  
1750' FNL & 660' FEL SEC. 12, T. 17 S., R. 28 E.  
EDDY COUNTY, NEW MEXICO

PAGE 1

30-015-32216

I. Goal is to convert an Empire; Morrow South Gas (76400) well to a saltwater disposal well. Proposed disposal interval will be 8,664' – 8,798' in the SWD; Cisco-Canyon (96186). Average production (239 days) from this well in the first eight months of 2012 was 0.07 bopd and 20.67 Mcfd.

II. Operator: Murchison Oil & Gas, Inc. (OGRID #15363)  
Operator phone number: (972) 931-0700  
Operator address: 1100 Mira Vista Blvd.  
Plano, TX 75093  
Contact for Application: Brian Wood (Permits West, Inc.)  
Phone: (505) 466-8120

III. A. (1) Lease: New Mexico State Land Office lease V0-3138-0003  
Lease Size: 160.00 acres (see Exhibit A for map and C-102)  
Closest Lease Line: 430'  
Lease Area: SENE, NWSE, & E2SE Section 12, T. 17 S., R. 28 E.

A. (2) Surface casing (13-3/8", 61#) was set in 2002 at 260' in a 17-1/2" hole and cemented to 13' with 385 sacks. Seventy-five sacks were subsequently circulated down the backside.

Intermediate casing (9-5/8", 47#) was set at 2,450' in a 12-1/4" hole and cemented with 1,000 sacks to the surface. Circulated 140 sacks to the pit.

Production casing (5-1/2", 17#) was set at 10,620' (TD) in an 8-1/2" hole. Ran 1,425 sacks poz/H. TOC = 6,476' according to CBL run July 9, 2012. CBL received by Artesia OCD December 21, 2012.

Well was initially perforated in the Morrow from 10,432' to 10,436'. Those perforations were plugged back in 2006. A CIBP was set at 10,426' and 15 feet of cement were placed on the CIBP. New PBTD = 10,411'. Perforations were added from 10,308' to 10,378'.

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- A. (3) Tubing will be 2-7/8" I-80 plastic lined. Setting depth will be approximately 8,640'. (Disposal interval will be 8,664' to 8,798'.)
- A. (4) An Arrow 2-7/8" x 5-1/2" 10K plastic coated packer will be set between 8,564' and 8,614' (50' to 100' above the highest proposed perforation of 8,664').
- B. (1) Disposal zone will be the SWD; Cisco-Canyon (96186).
- B. (2) Disposal interval will be 8,664' to 8,798'. A CIBP will be set at  $\approx$ 8,850' and it will be topped with  $\approx$ 50' of cement.
- B. (3) It was drilled in 2002 as a Morrow gas well and it is still a Morrow gas well. Cumulative production through August 31, 2012 is 29,361 barrels of oil and 2,424,081 Mcfd of gas. The well has operated at a loss since November 2011 due to low gas prices and low gas volumes. See profit-loss statement in Exhibit B.
- B. (4) The well will be perforated from 8,664' to 8,798' with 4 shots per foot. Shot diameter = 0.40". The well was perforated in 2002 from 10,432' to 10,456' with 4 shots per foot (= 96 holes). Those perforations were plugged back in 2006 and isolated below 15 sacks and a CIBP at 10,426'. Four intervals between 10,308' and 10,378' were then perforated with 4 shots per foot (= 180 holes).
- B. (5) Closest (10.4 miles west in 20-17s-27e) Cisco or Canyon production is Murchison's Yates Federal Com 1Y (30-015-22783) in the Logan Draw; Cisco-Canyon Pool (80380). Producing zones above and below the Cisco-Canyon interval and within a half-mile radius are:

Queen  
Grayburg  
San Andres  
Glorieta-Yeso  
Abo  
*Cisco-Canyon*



MURCHISON OIL & GAS, INC.  
YOGI BEAR STATE COM 1  
1750' FNL & 660' FEL SEC. 12, T. 17 S., R. 28 E.  
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Atoka  
Morrow

These zones are in the Cave; San Andres, West (11400), Empire; Abo, North (96365), Empire; Atoka (76375), Empire; Glorieta-Yeso (96210), Empire; Morrow, South (76400), and Red Lake; Queen-Grayburg East (51340) pools.

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

V. Exhibit C shows all 13 existing wells (1 SWD well + 2 gas wells + 5 P & A wells + 5 oil wells) within a half-mile radius, plus 3 approved but as yet undrilled oil well. Exhibit D shows all 315 existing wells (225 oil or gas wells + 78 P & A wells + 9 disposal or injection wells + 3 windmills) within a two-mile radius.

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

<u>T. 17 S., R. 28 E.</u>	<u>Lessor</u>	<u>Lease Number</u>	<u>Lessee</u>
S2SE4 Sec. 1	NMSLO	V0-5549-0000	Murchison
SESW Sec. 1 (2,642' northwest)	NMSLO	V0-5344-0001	COG
NENE, W2NE4, NENW Sec. 12	NMSLO	B0-7596-0000	ConocoPhillips
SESW Sec. 12	NMSLO	E0-9359-0001	BP
SENE, E2SE4, & NWSE Sec. 12	NMSLO	V0-3138-0003	COG
NESW & SESE Sec. 12	NMSLO	V0-5009-0001	COG

<u>T. 17 S., R. 29 E.</u>			
Lot 7 (≈SWSW) Sec. 6	BLM	NMNM-397623	COG
SESW Sec. 6	BLM	NMNM-097875	Devon
NENW Sec. 7	NMSLO	E0-0741-0000	ExxonMobil
Lots 1 & 2 and SENW Sec. 7	BLM	NMNM-014847	ConocoPhillips
Lot 3 and NESW Sec. 7	BLM	NMNM-101967	Aspen Oil

MURCHISON OIL & GAS, INC.

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YOGI BEAR STATE COM 1

1750' FNL & 660' FEL SEC. 12, T. 17 S., R. 28 E.

EDDY COUNTY, NEW MEXICO

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VI. There are 13 existing wells, and 3 approved but not yet drilled wells as of December 29, within a half-mile radius. Three of the wells penetrated the Cisco. Two of the three penetrated the Canyon. All three penetrators are active wells. One of the penetrators is an SWD; Cisco well. A summary of the penetrators is attached as Exhibit G. Wells in the area of review are:

OPERATOR	WELL	API # 30- 015-	LOCATION	ZONE	STATUS	TVD	DISTANCE
Stout	Superior State 3	01361	H-12-17s-28e	Grayburg-San Andres	P & A	2506	653
Murchison	High Nitro State Com 4H	40594	H-12-17s-28e	Empire; Glorieta-Yeso	proposed oil	3901	671
Murchison	High Nitro State Com 3H	40160	A-12-17s- 28e	Empire; Glorieta-Yeso	oil	3969	1285
EOG	Warp Speed 7 Federal Com 2	25628	E-7-17s-29e	Empire; Morrow South Gas	gas	10621	1392
Finney	State P 12 #3	01356	G-12-17s-28e	Red Lake; Grayburg Queen East	oil	1810	1657
Finney	State P 12 #2	01355	B-12-17s-28e	Red Lake; Grayburg Queen East	oil	1824	1710
Mewbourne	Empire 7 LI Federal 1H	40519	L-7-17s-29e	Empire; Glorieta-Yeso	proposed oil	4053	1974
COG	Big George State 2	26340	J-12-17s-28e	Empire; Abo North	oil	7920	1991
Collier	Hawk State 1	01352	J-12-17s-28e	Cave; San Andres West	P & A	2492	2068

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Mack	Big George State 1	25386	J-12-17s-28e	Cave; San Andres West	P & A	1175	2079
COG	Big George State 3	28759	J-12-17s-28e	SWD; Cisco	SWD	8409	2160
Murchsion	Grizzly Bear State Com 3H	40544	P-1-17s-28e	Empire; Glorieta-Yeso	proposed oil	3890	2161
Devon	TNT 6 Federal Com 2	33591	7-7-17s-29e	Empire; Morrow South Gas	gas	10550	2214
Stout	Superior State 2	10384	P-12-17s-28e	Red Lake; San Andres	P & A	2485	2604
Campbell	Superior State 2	01353	P-12-17s-28e	Red Lake; San Andres	P & A	2488	2615
Addington	Atlantic A State 2	01358	F-12-17s-28e	Red Lake; Queen-Grayburg, East	oil	1750	2695

- VII. 1. Average injection rate will be  $\approx$ 4,000 bwpd.  
Maximum injection rate will be 5,000 bwpd.
2. System will be open and closed. Water will be trucked and piped to the well.
3. Average injection pressure will be  $\approx$ 1,700 psi  
Maximum injection pressure will be 1,732 psi (= 0.2 psi/foot x 8,664' (highest perforation)).
4. There have been no reports of problems disposing into the three closest Cisco and/or Canyon SWD wells. At least 14,487,798 barrels have been disposed at the closest (2,160' southwest) Cisco SWD well (Big George State 3 (30-015-28759)). At least 11,394,751 barrels have been disposed at the closest (10,324' northeast) Canyon SWD well (Jenna Com 1 (30-015-29260)). At least 4,726 barrels have been disposed at the closest (8,406' northeast) Cisco-Canyon SWD well

(Spiketail SWD 1 (30-015-38599)). There are 19 active Cisco and/or Canyon SWD wells in T. 17 S., R. 28 and 29 E.

Most (~90%) of the disposal water will be produced water from Paddock wells. The remainder will be from Morrow or Atoka wells. Murchison has 41 existing wells in T. 17 S., R. 28 E. and the 8 surrounding townships. A summary of water analyses from the closest relevant wells in the WAIDS database follows.

Well	COI Empire South Unit 12	Empire South Deep Unit 5	McIntyre A West 6	Santa Fe Land Improvement 1	Jenny Com 1
API #	30-015- 21947	30-015- 21279	30-015- 04224	30-015- 20501	30-015- 26469
Location	K-5-18s- 29e	G-31-17s- 29e	O-20-17s- 30e	I-17-19s-26e	E-19-17s- 25e
Formation	Atoka	Morrow*	Paddock	Canyon*	Cisco
Parameter mg/l					
barium			0.056	0.28	
bicarbonate	967	1205	957	764	183
calcium			1570	2194	2800
chloride	20400	19550	131272	7065	46850 ✓
iron			11	0.32	70
H2S				160	6
magnesium			277	496	1678
sodium			85210	85896	
strontium			36	58	
sulfate	270	470	4782	3149	13
TDS	35169	34388	199357	205234	
		*average of 2 samples shown		*average of 2 samples shown	

MURCHISON OIL & GAS, INC.  
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5. Closest (10.4 miles west in 20-17s-27e) Cisco or Canyon producer is Murchison's Yates Federal Com 1Y (30-015-22783) in the Logan Draw; Cisco-Canyon Pool (80380).

VIII. The Cisco (536' thick in this well) and Canyon (728' thick in this well) are mainly limestone with some dolomite intervals. Peak porosities of 20% and lost circulation have been reported elsewhere in the basin in these zones.

Closest possible underground source of drinking water above the proposed disposal interval is the Quaternary at the surface. No water wells are within a 2,000-meter (6,560') radius according to the Office of the State Engineer (Exhibit H). Closest water well is an abandoned windmill  $\approx$ 6,000' northwest. No underground source of drinking water is below the proposed disposal interval.

Formation tops are:

Quaternary = 0'  
Salado = 332'  
base salt = 810'  
Yates = 834'  
Seven Rivers = 1,178'  
Bowers sand = 1,402'  
Queen = 1,610'  
Grayburg = 1,858'  
San Andres = 2,410'  
Glorieta = 3,765'  
Tubb = 5,160'  
Abo = 5,856'  
Wolfcamp = 7,050'  
Cisco = 8,222'  
Canyon = 8,758'  
Strawn = 9,486'  
Atoka = 9,933'  
Morrow = 10,286'  
current PBTD = 10,411'  
Chester Mississippian = 10,488'  
Total Depth: 10,620'

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There will be 7,890' of vertical separation and the salt interval between the bottom of the only likely underground water source (Quaternary) and the top of the Cisco.

Produced water has been disposed into the Cisco at the Big George State 3 (30-015-28759). At least 14,487,798 barrels have been disposed into that well. It is 2,160' southwest in J-12-17s-28e.

Produced water has been disposed into the Canyon at the Jenna Com 1 (30-015-29260). At least 11,394,751 barrels have been disposed into that well. It is 10,324' northeast in I-5-17s-29e.

Produced water has been disposed into the Cisco and Canyon at the Spiketail SWD 1 (30-015-38599) since December 2011. At least 4,726 barrels have been disposed into that well. It is 8,406' northeast in K-5-17s-29e.

IX. The well will be stimulated with acid to clean out scale or fill.

X. CNL-density, laterolog, gamma ray, sonic, and CBL logs have been run and are on file with NMOCD.

XI. Based on a November 15, 2012 field inspection and a review of the State Engineer's records, there are no water wells within a one-mile radius.

XII. Murchison Oil & Gas, Inc. is not aware of any geologic or engineering data which may indicate the Cisco or Canyon are in hydrologic connection with any underground sources of water. There are 30 active Cisco saltwater disposal or injection wells and 57 active Canyon saltwater disposal or injection wells in New Mexico. Closest fault (Guadalupe) is 40 miles southwest (according to Machette, M.N., compiler, 1996, Fault number 2058, Guadalupe fault, in Quaternary fault and fold database of the United States: U.S. Geological Survey website, <http://earthquakes.usgs.gov/hazards/qfaults>, accessed 12/16/2012 11:32 AM).

MURCHISON OIL & GAS, INC.

PAGE 9

YOGI BEAR STATE COM 1

1750' FNL & 660' FEL SEC. 12, T. 17 S., R. 28 E.

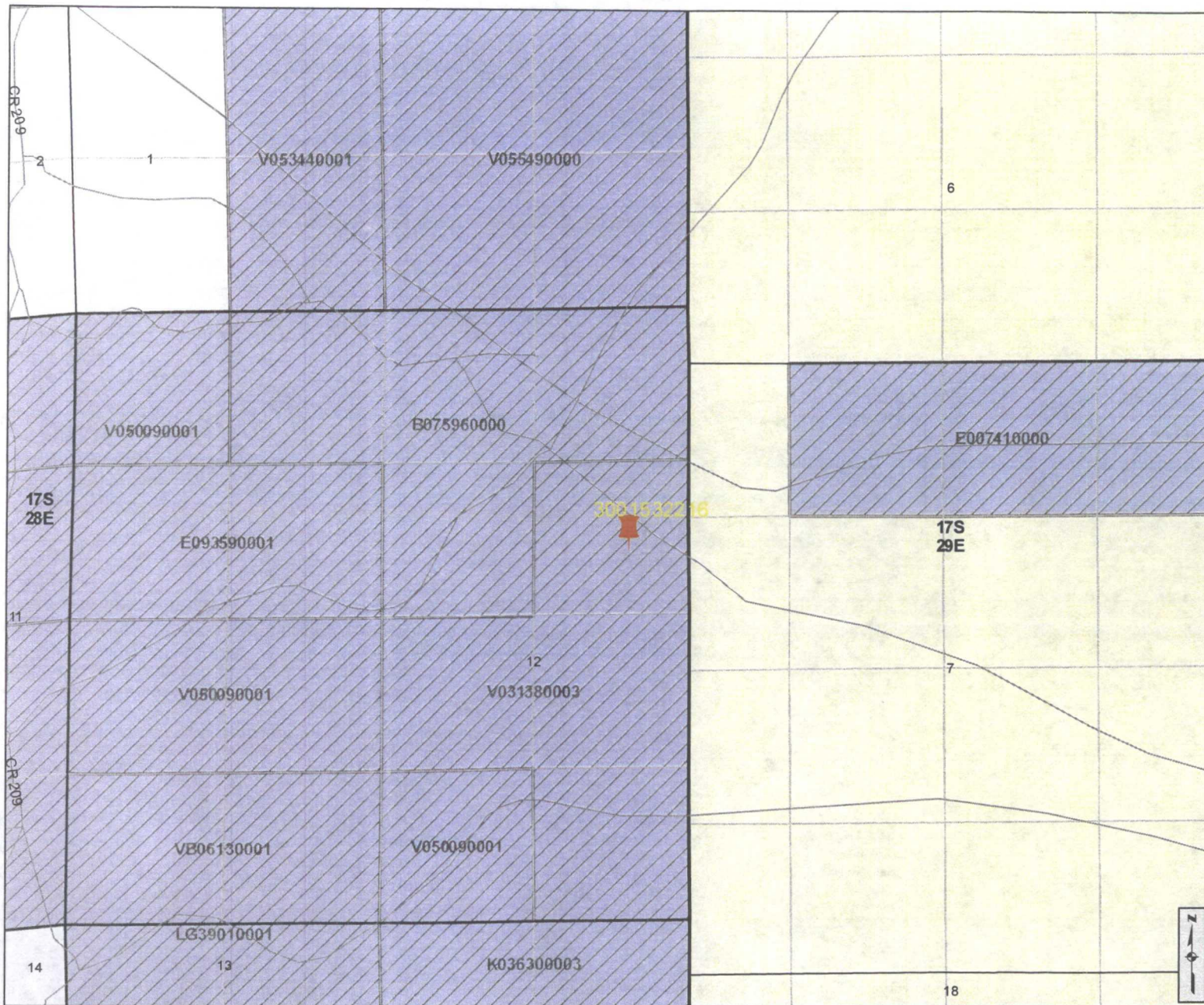
EDDY COUNTY, NEW MEXICO

30-015-32216

XIII. Notice (this application) has been sent (Exhibit I) to the surface owner (NM State Land Office), lessor (NM State Land Office), and all leasehold operators or other affected persons (Aspen Oil, BLM, BP, COG, Concho Resources, ConocoPhillips, Devon, EOG, ExxonMobil, MEC Petroleum, ZPZ) within a half-mile.

A legal ad (see Exhibit J) was published on November 6, 2012.





#### Point Locations

- County Seat
- ▲ SLO District Offices
- City, Town or Village
- ★ Volcanic Vents
- Highway Mileposts

#### NMOCD Oil and Gas Wells

- Oil
- Injection
- ★ Carbon Dioxide
- Miscellaneous
- ☼ Gas
- Water
- ◇ DA or PA
- △ Salt Water Disposal

#### Federal Minerals

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

#### State Trust Lands

- Surface Estate
- Subsurface Estate
- Both Estates

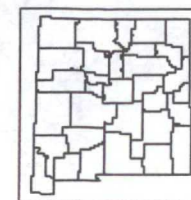
#### NMSLO Leasing

- Option Agreement
- Commercial Lease
- Minerals Lease
- Oil and Gas Lease
- Agricultural Lease
- Not Available for Oil and Gas Leasing
- Restriction Influences Oil and Gas Leasing

#### Other Boundaries

- Continental Divide
- State Boundary
- County Boundaries
- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Potash Enclave (NMOCD R-111-P)

For detailed legend of the Geologic Map of New Mexico, please see <http://geomf.nmt.edu>



## New Mexico State Land Office

### Oil, Gas, and Minerals

0 0.05 0.1 0.2 0.3 0.4 Miles  
 Universal Transverse Mercator Projection, Zone 13  
 1983 North American Datum

**EXHIBIT A**

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  
[logic@slo.state.nm.us](mailto:logic@slo.state.nm.us)

Created On: 12/2/2012 10:02:08 AM

[www.nmstatelands.org](http://www.nmstatelands.org)



## State of New Mexico

Energy, Minerals and Natural Resources Department

## DISTRICT I

P.O. Box 1080, Hobbs, NM 88241-1080

## DISTRICT II

P.O. Drawer 82, Artesia, NM 88211-0719

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name YOGI BEAR	Well Number 1
OGRID No. 015363	Operator Name MURCHISON OIL & GAS, INC.	Elevation 3719'

## Surface Location

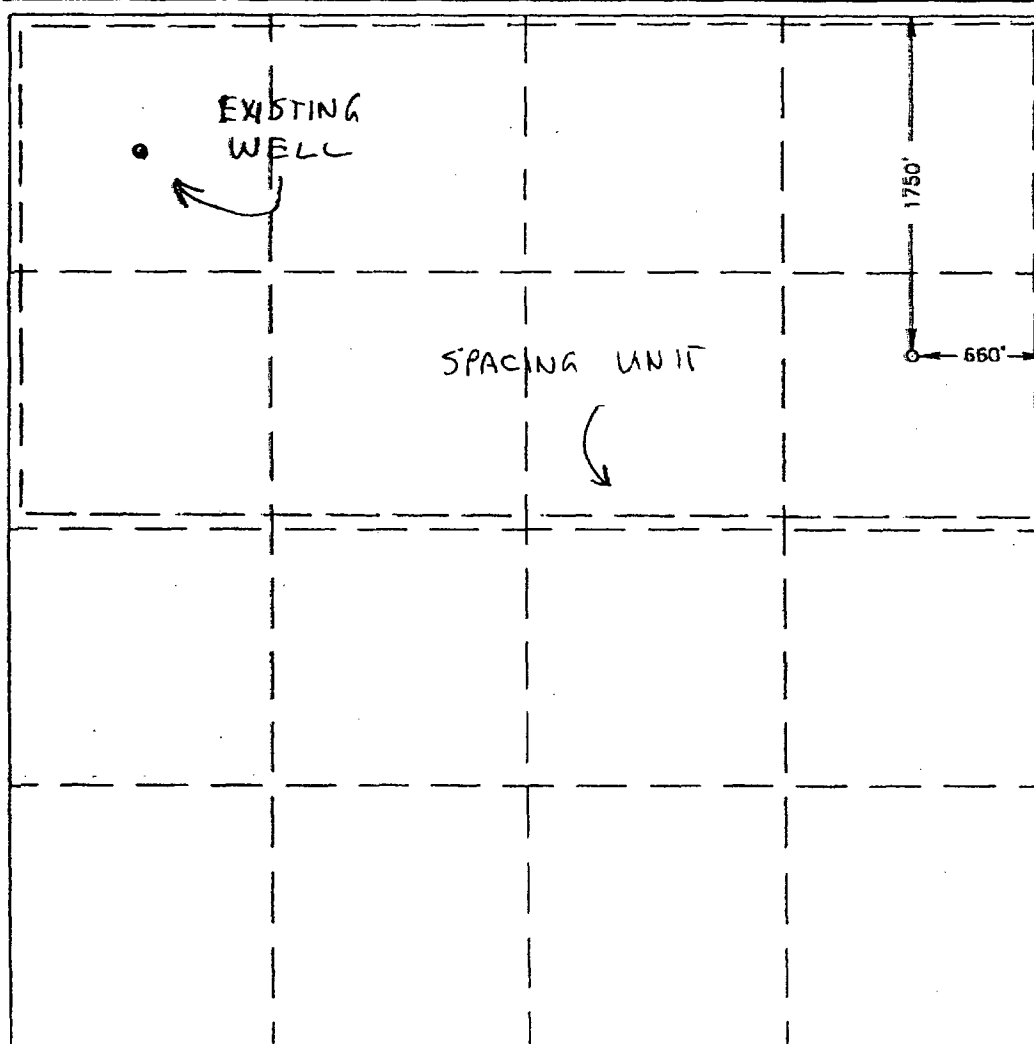
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	17-S	28-E		1750	NORTH	660	EAST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



## OPERATOR CERTIFICATION

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

*Michael S. Daugherty*  
Signature

MICHAEL S. DAUGHERTY

Printed Name

VICE PRESIDENT OPERATIONS

Title

2/21/02

Date

## SURVEYOR CERTIFICATION

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 belief.

FEBRUARY 06, 2002

Date Surveyed

AWB

Signature & Seal of  
Professional Surveyor

*Ronald J. Edson*  
02/07/02  
02.11.0097

Certificate No. RONALD J. EDSON 3239  
GARY EDSON 12841

EXHIBIT A

**Yogi Bear State Com # 1**  
**Well Code # 302995**  
**Well Profit(Loss)**  
**For the 12 months ended July 31, 2012**

	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Jul-12</u>	<u>Total</u>
<b>Revenue</b>													
Oil													
Volume	0	0	135	0	0	0	0	0	0	0	0	0	135
Value	0	0	11,081	0	0	0	0	0	0	0	0	0	11,081
Gas													
Volume	524	503	547	522	357	501	361	546	480	485	440	457	5,722
Value	2,684	2,290	2,350	2,123	1,416	1,847	1,065	1,561	1,117	1,130	1,273	1,384	20,240
Total (net)	2,684	2,290	13,431	2,123	1,416	1,847	1,065	1,561	1,117	1,130	1,273	1,384	31,322
<b>Production Taxes/Other Revenue Deductions</b>													
Oil	0	0	1,137	0	0	0	0	0	0	0	0	0	1,137
Gas	550	550	557	593	333	575	311	605	387	440	353	353	5,607
Total	550	550	1,694	593	333	575	311	605	387	440	353	353	6,744
<b>LOE</b>	1,299	1,438	1,952	8,266	6,981	4,163	7,308	2,233	1,085	1,326	1,757	1,331	39,139
<b>Net Profit (Loss)</b>	<b>835</b>	<b>302</b>	<b>9,785</b>	<b>(6,736)</b>	<b>(5,898)</b>	<b>(2,891)</b>	<b>(6,554)</b>	<b>(1,277)</b>	<b>(355)</b>	<b>(636)</b>	<b>(837)</b>	<b>(300)</b>	<b>(14,561)</b>

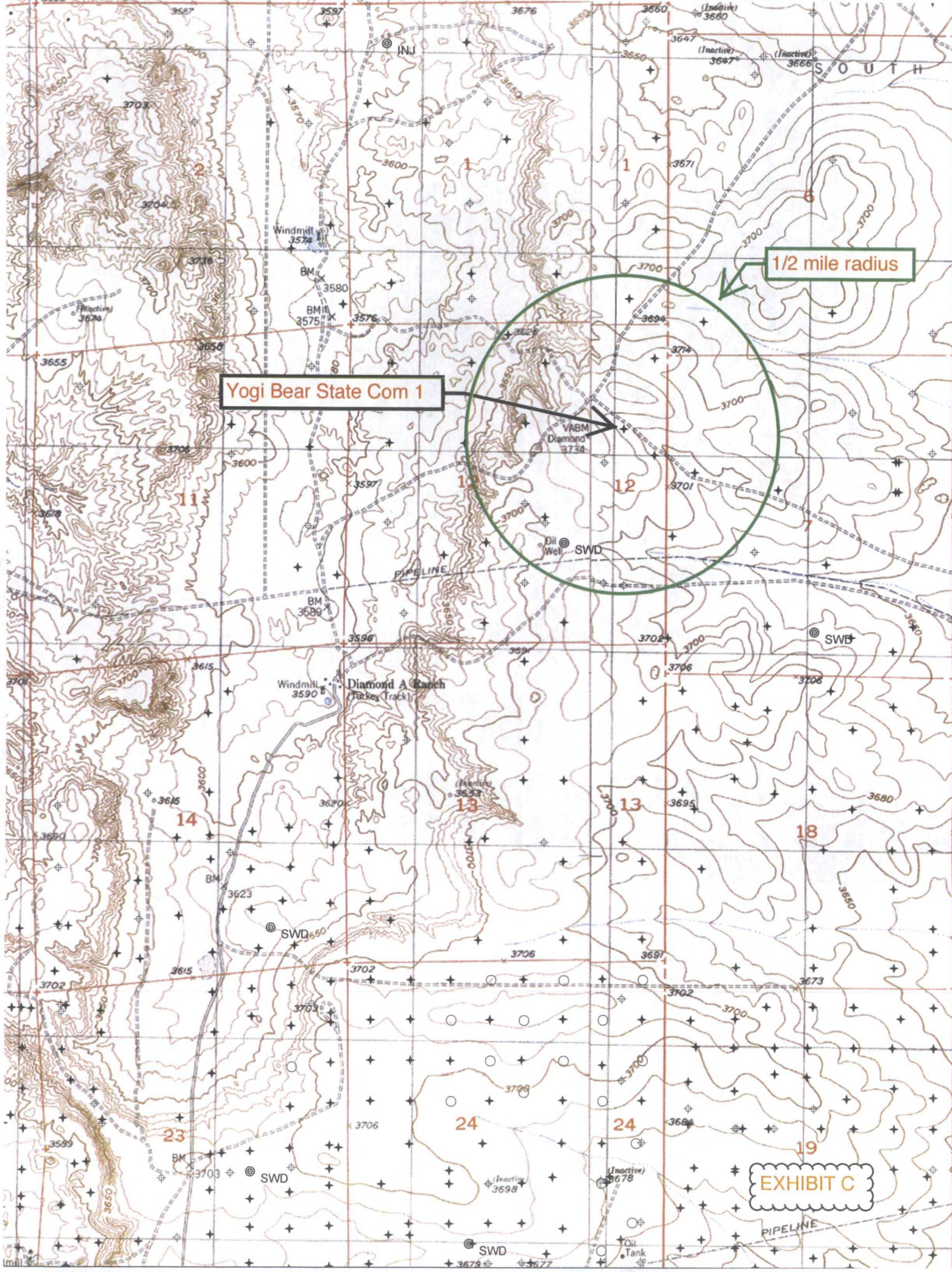
EXHIBIT B



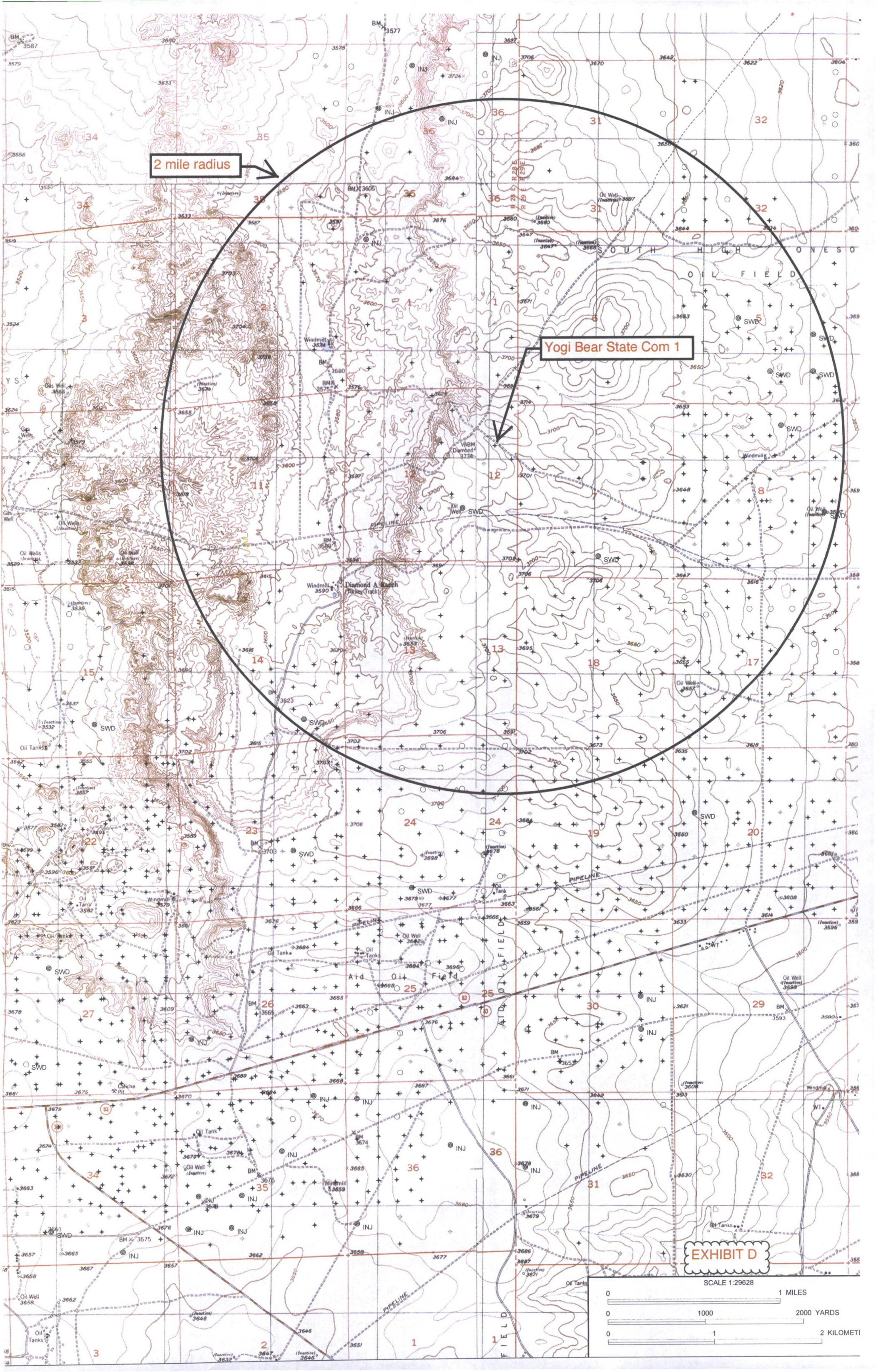
Yogi Bear State Com 1

1/2 mile radius

EXHIBIT C





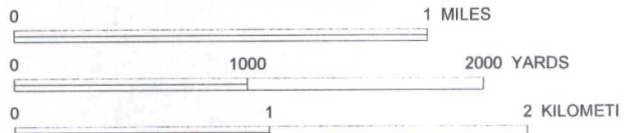


2 mile radius

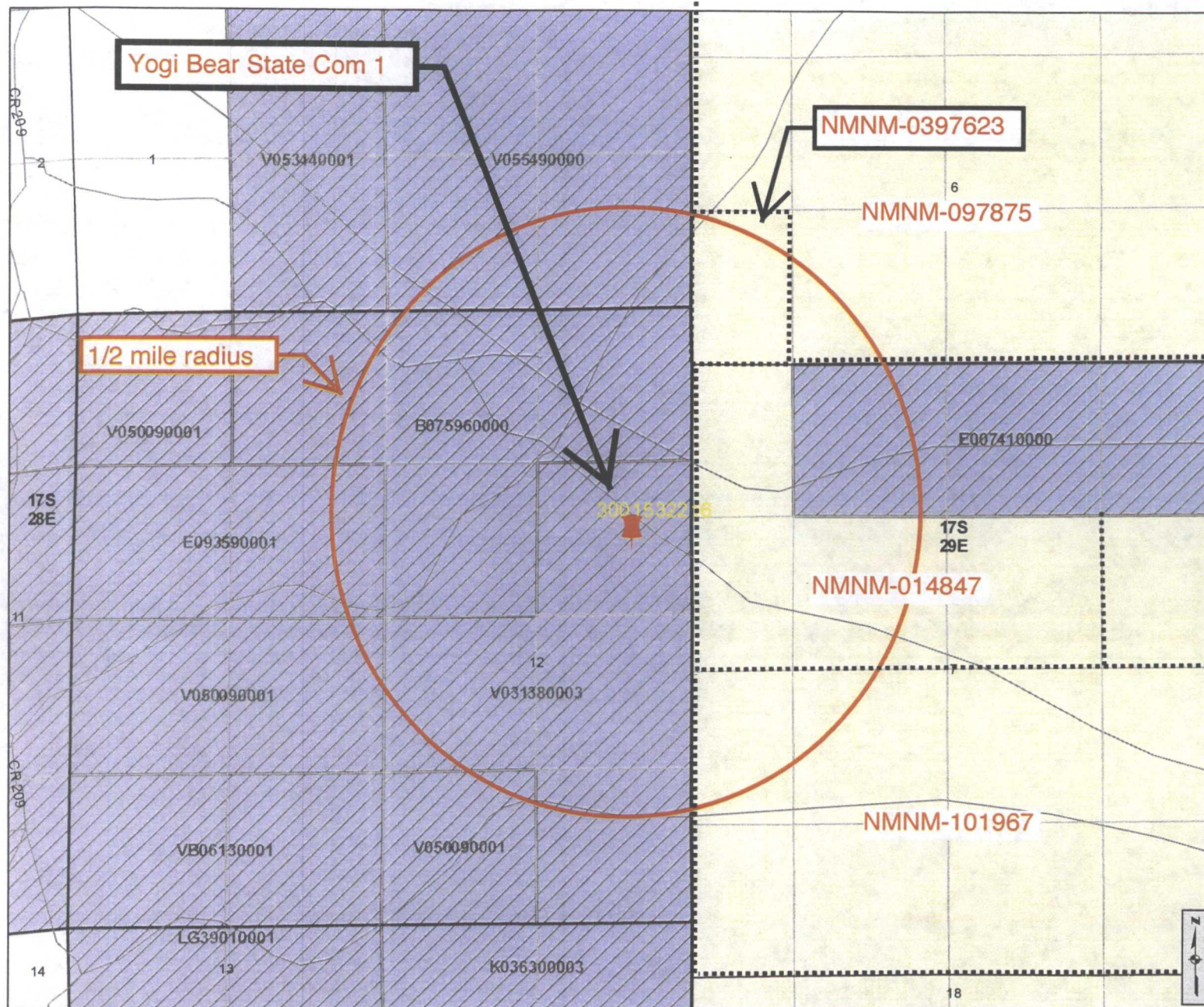
Yogi Bear State Com 1

EXHIBIT D

SCALE 1:29628







#### Point Locations

- County Seat
- ▲ SLO District Offices
- City, Town or Village
- ★ Volcanic Vents
- Highway Mileposts

#### NMOCD Oil and Gas Wells

- Oil
- Injection
- ★ Carbon Dioxide
- Miscellaneous
- ☆ Gas
- ⊕ Water
- ◇ DA or PA
- △ Salt Water Disposal

#### Federal Minerals

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

#### State Trust Lands

- Surface Estate
- Subsurface Estate
- Both Estates

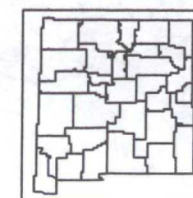
#### NMSLO Leasing

- Option Agreement
- Commercial Lease
- Minerals Lease
- Oil and Gas Lease
- Agricultural Lease
- Not Available for Oil and Gas Leasing
- Restriction Influences Oil and Gas Leasing

#### Other Boundaries

- Continental Divide
- State Boundary
- County Boundaries
- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Potash Enclave (NMOCD R-11 I-P)

For detailed legend of the Geologic Map of New Mexico, please see <http://geoinfo.nmt.edu>



[www.nmstatelands.org](http://www.nmstatelands.org)

## New Mexico State Land Office

### Oil, Gas, and Minerals

0 0.05 0.1 0.2 0.3 0.4 Miles  
Universal Transverse Mercator Projection, Zone 13  
1983 North American Datum

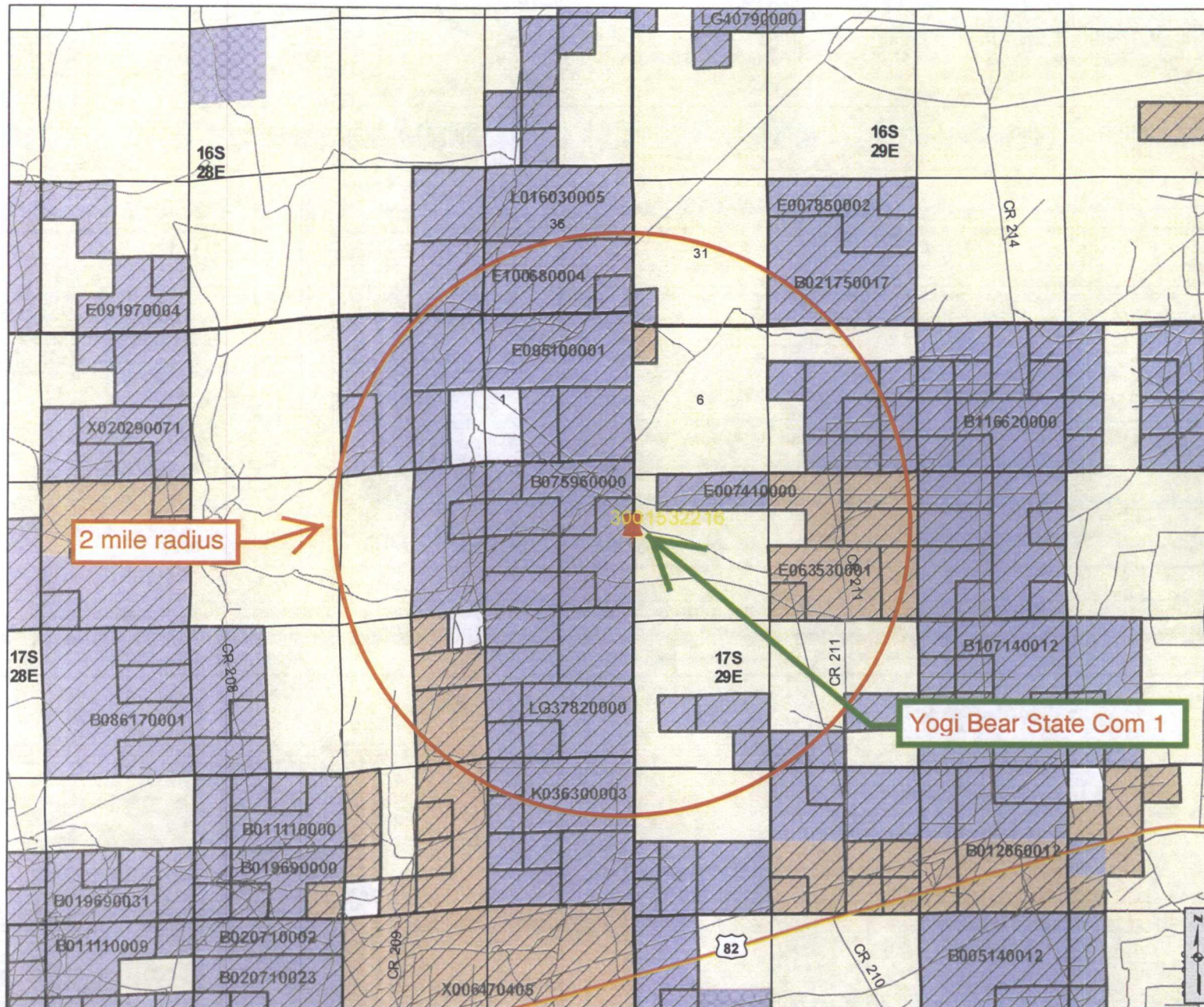
**EXHIBIT E**

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Land Office Geographic Information Center  
[logic@slo.state.nm.us](mailto:logic@slo.state.nm.us)

Created On: 12/2/2012 10:02:08 AM





#### Point Locations

- County Seat
- ▲ SLO District Offices
- City, Town or Village
- ★ Volcanic Vents
- Highway Mileposts

#### NMOCD Oil and Gas Wells

- Oil
- Injection
- ★ Carbon Dioxide
- Miscellaneous
- ☆ Gas
- ◆ Water
- ◇ DA or PA
- △ Salt Water Disposal

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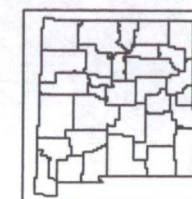
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- Commercial Lease
- Minerals Lease
- Oil and Gas Lease
- Agricultural Lease
- Not Available for Oil and Gas Leasing
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#### Other Boundaries

- Continental Divide
- State Boundary
- County Boundaries
- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Potash Enclave (NMOCD R-111-P)

For detailed legend of the Geologic Map of New Mexico, please see <http://geoinfo.nmi.edu>



[www.nmstatelands.org](http://www.nmstatelands.org)

## 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  
[logic@slo.state.nm.us](mailto:logic@slo.state.nm.us)

Created On: 12/15/2012 3:02:28 PM

WELL	SPUD	TD	POOL	WELL TYPE	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW DETERMINED
Warp Speed 7 Federal Com 2	8/23/86	10621	Empire; Morrow South (Gas)	gas	17.5	13.375	220	900 sx	GL	circulated
30-015-25628					12.25	9.625	2663	950 sx	GL	circulated
E-7-17s-29e					7.785	5.5	10621	1520 sx	70'	temp. survey
Big George State 3	4/11/97	8409	SWD; Cisco	SWD	17.5	13.375	289	350 sx	GL	circulated
30-015-28759					11	8.625	2663	900 sx	GL	circulated
J-12-17s-28e					7.785	5.5	8360	1150 sx	475'	temp. survey
TNT 6 Federal Com 2	9/25/04	10550	Empire; Morrow South (Gas)	gas	17.5	13.375	364	795 sx	GL	circulated 35 sx
30-015-33591					11	8.625	2700	1030 sx	GL	circulated 34 bbl
Lot 7-7-17s-29e					7.785	5.5	10571	1870 sx	GL	circulated 226 sx

EXHIBIT G



*New Mexico Office of the State Engineer*  
**Active & Inactive Points of Diversion**  
(with Ownership Information)

No PODs found.

**UTMNAD83 Radius Search (in meters):**

Easting (X): 582014

Northing (Y): 3635332

Radius: 2000

EXHIBIT H

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.

11/1/12 1:58 PM

Page 1 of 1

ACTIVE & INACTIVE POINTS OF DIVERSION



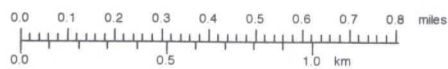
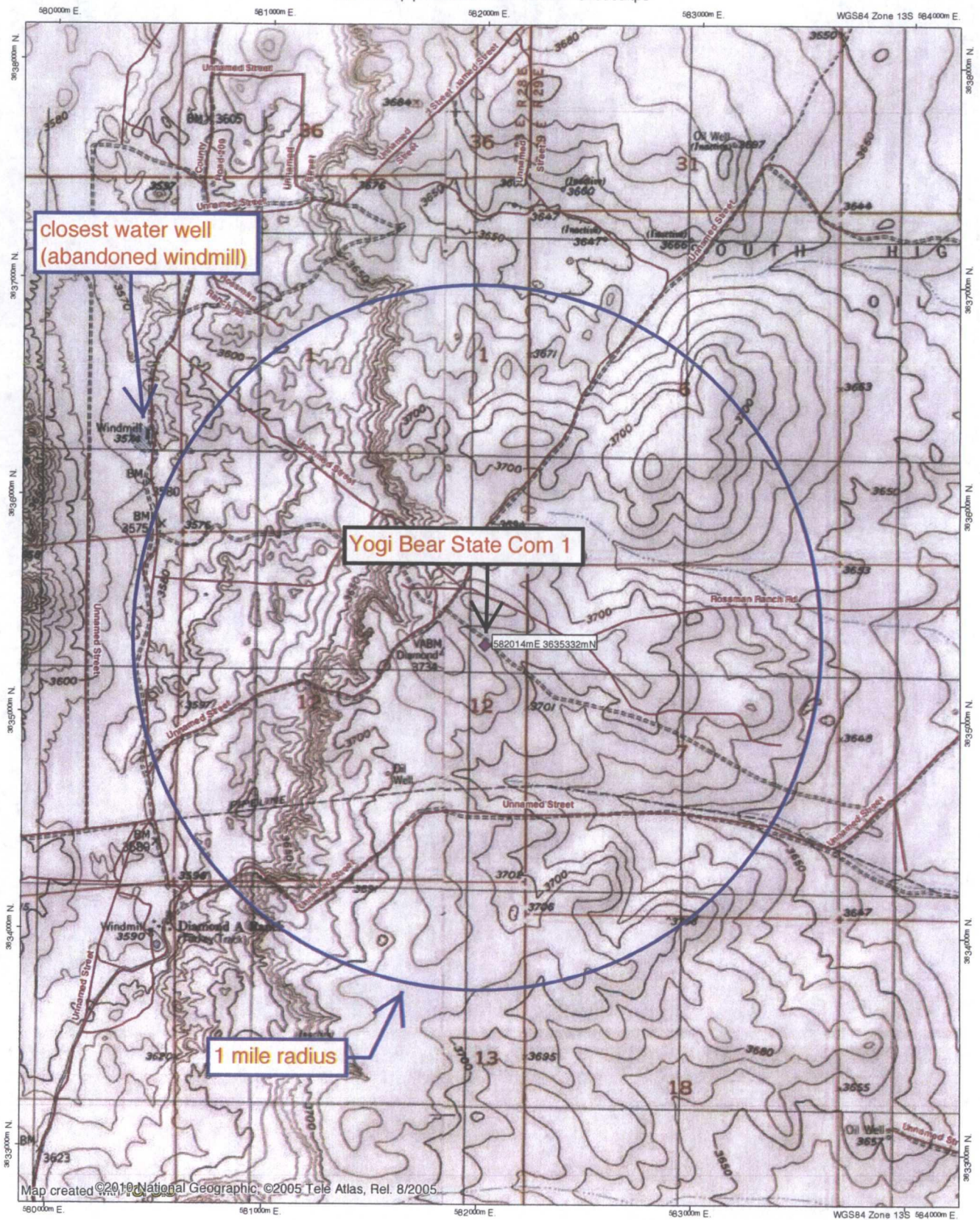


EXHIBIT H

TN#1MN  
7.5°  
11/01/12



A photograph of a tall, rusted metal windmill tower in a desert landscape. The tower is a lattice structure with a small platform at the top. The ground is dry and sandy with sparse, low-lying shrubs. In the background, there are rolling hills under a vast, blue sky with some light clouds. The overall scene is desolate and arid.

abandoned windmill

EXHIBIT H

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

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

January 4, 2013

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

Dear Nick,

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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: Yogi Bear State Com 1 (state lease) ID = 10,620'

Proposed Injection Zones: Cisco & Canyon (from 8,664' to 8,798')

Location: 1750' FNL & 660' FEL Sec. 12, T. 17 S., R. 28 E., Eddy County, NM

Approximate Location: ~16 air miles east of Artesia, NM


Applicant Name: Murchison Oil & Gas, Inc. (972) 931-0700

Applicant's Address: 1100 Mira Vista Blvd., Plano TX 75093

Submittal Information: Application for a saltwater disposal well will be filed with the 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

2012 0470 0001 5938 5347

U.S. Postal Service <sup>TM</sup>	
CERTIFIED MAIL <sup>TM</sup> RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.80
Postmark Here JAN -5 2013 87502	
Sent To NMSLO	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

EXHIBIT I



January 4, 2013

Aspen Oil Inc.  
P. O. Box 2674  
Hobbs, NM 88240

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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.

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**Approximate Location:** ~16 air miles east of Artesia, NM  
**Applicant Name:** Murchison Oil & Gas, Inc. (972) 931-0700  
**Applicant's Address:** 1100 Mira Vista Blvd., Plano TX 75093

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Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service <b>CERTIFIED MAIL RECEIPT</b> (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.80
To	Aspen
Street, Apt. No., or P.O. Box No.	
City, State, ZIP+4	

EXHIBIT 1



January 4, 2013

BLM  
620 E. Greene St.  
Carlsbad, NM 88220

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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.

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Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service <b>CERTIFIED MAIL RECEIPT</b> (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.80
To	BLM
Street, Apt. No., or P.O. Box No.	
City, State, ZIP+4	Carl.





January 4, 2013

BP American Production Co.  
P. O. Box 3092  
Houston, TX 77253-3092

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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.

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Applicant's Address: 1100 Mira Vista Blvd., Plano TX 75093

Submittal Information: Application for a saltwater disposal well will be filed with the 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

EXHIBIT 1

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	\$12.50
Form No.	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	



January 4, 2013

COG Oil & Gas, L. P.  
Concho Resources, Inc.  
600 W. Illinois Ave.  
Midland, TX 79701

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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.

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Please call me if you have any questions.

Sincerely,

*Brian Wood*  
Brian Wood

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OFFICIAL USE	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.80
Form No.	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	



January 4, 2013

ConocoPhillips Company  
P. O. Box 7500  
Bartlesville, OK 74005-7500

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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:** Yogi Bear State Com 1 (state lease) ID = 10,620'  
**Proposed Injection Zones:** Cisco & Canyon (from 8,664' to 8,798')  
**Location:** 1750' FNL & 660' FEL Sec. 12, T. 17 S., R. 28 E., Eddy County, NM  
**Approximate Location:** ≈16 air miles east of Artesia, NM  
**Applicant Name:** Murchison Oil & Gas, Inc. (972) 931-0700  
**Applicant's Address:** 1100 Mira Vista Blvd., Plano TX 75093

**Submittal Information:** Application for a saltwater disposal well will be filed with the 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	
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Postmark JAN 4 2013 87552	
Sent To Con Phil	
Street Apt. No. or PO Box No. City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

EXHIBIT 1



January 4, 2013

Devon Energy Prod. Co. LP  
333 W. Sheridan Ave.  
Oklahoma City, OK 73102-5010

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Sent To Devon	
Street Apt. No. or PO Box No. City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	



January 4, 2013

EOG Resources Inc.  
P. O. Box 2267  
Midland, TX 79702

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Sincerely,

Brian Wood

EXHIBIT 1

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	\$ 6.50

Sent to: **EOG**

Postmark Here: **JAN - 5 2013**

PS Form 3800, August 2006



January 4, 2013

ExxonMobil Corporation  
P. O. Box 4358  
Houston, TX 77210-4358

Murchison Oil & Gas, Inc. is applying (see attached application) to convert its Yogi Bear State Com 1 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) 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.

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Please call me if you have any questions.

Sincerely,

Brian Wood

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.50

Sent to: **Exxon Mobil**

Postmark Here: **JAN - 5 2013**

PS Form 3800, August 2006



January 4, 2013

MEC Petroleum Corporation  
414 W. Texas, Suite 410  
Midland, TX 79701-4414

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Please call me if you have any questions.

Sincerely,

Brian Wood

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	6.50

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

Postmark Here  
JAN 5 2013



January 4, 2013

ZPZ Delaware I, LLC  
c/o Apache Corporation  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

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Postage	\$	1.50
Certified Fee		2.95
Return Receipt Fee (Endorsement Required)		2.35
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	6.80

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

Postmark Here  
JAN 5 2013



# Affidavit of Publication

NO. 22360

STATE OF NEW MEXICO

County of Eddy:

Danny Scott

being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

## Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/days on the same day as follows:

First Publication

November 6, 2012

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

6th day of November 2012



OFFICIAL SEAL  
Latisha Romine  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires:

5/12/2015

Latisha Romine

Latisha Romine  
Notary Public, Eddy County, New Mexico

## Copy of Publication:

### LEGAL NOTICE

Murchison Oil & Gas, Inc. will apply to convert its Yogi Bear State Corn 1 well to a saltwater disposal well. The well is at 1750 FNL & 660 FEL Sec. 12, T. 17 S., R. 28 E., Eddy County and is 16 miles east of Artesia. Disposal will be into the Cisco and Canyon from 8664' to 8798'. Maximum injection pressure will be 1,732 psi. Maximum disposal rate will be 5,000 bwpd. 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. Published in the Artesia Daily Press, Artesia, N.M., Nov. 6, 2012. Legal No 22360.

EXHIBIT J

**Jones, William V., EMNRD**

---

**From:** Jones, William V., EMNRD  
**Sent:** Thursday, January 31, 2013 3:55 PM  
**To:** brian@permitswest.com  
**Cc:** Ezeanyim, Richard, EMNRD; Warnell, Terry G. (twarnell@slo.state.nm.us)  
**Subject:** Disposal application from Murchison Oil & Gas, Inc.: Yogi Bear State Com #1  
30-015-32216

Hello Brian,  
Everything looks fine with the application,

The only issue is Merch wants to convert a producing gas well to disposal operations.  
You did show profit and loss statement showing it is producing uneconomically.

But you didn't say if the well would be used for Lease disposal or off-lease disposal or commercial disposal purposes?

Thank You!

William V. Jones, P.E.  
505-476-3448W 505-476-3462F  
Engineering Bureau, Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Jones, William V., EMNRD**

---

**From:** Brian Wood <brian@permitswest.com>  
**Sent:** Friday, February 01, 2013 12:57 PM  
**To:** Jones, William V., EMNRD  
**Subject:** Re: Disposal application from Murchison Oil & Gas, Inc.: Yogi Bear State Com #1 30-015-32216

It will be used off off-lease disposal, but only by Murchison and only for Murchison wells.  
On Jan 31, 2013, at 3:55 PM, Jones, William V., EMNRD wrote:

Hello Brian,  
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The only issue is Merch wants to convert a producing gas well to disposal operations.  
You did show profit and loss statement showing it is producing uneconomically.

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505-476-3448W 505-476-3462F  
Engineering Bureau, Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Injection Permit Checklist**

First Email Date: 1/30/13 Final Reply Date: 2/1/13 Final Notice Date: 1/5/13

Issued Permit: Type: WFX/PMX/SWD, Number: 1390 Permit Date: 2/4/13 (Legacy Permit:       )

# Wells 1 Well Name(s): YOGI BEAR STATE COM #1

API Num: 30-015-32216 Spud Date: 2002 New/Old: N (UIC CI II Primacy March 7, 1982)

Footages 1750 FNL/660 FEL Lot        Unit H Sec 12 Tsp 17S Rge 28E County EDDY

General Location or Pool Area:       

Operator: MURCHISON OIL & Gas, INC. Contact: BRIAN WOOD

OGRID: 15363 RULE 5.9 Compliance (Wells) 115 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed        Current Status: MORROW Perfs Producing @ LOSS

Planned Work to Well: PLUG BACK

Diagrams: Before Conversion ✓ After Conversion ✓ Are Elogs in Imaging? ✓

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned ___ or Existing ___ Surface	<u>17 1/2 - 13 3/8</u>	<u>260</u>		<u>460 SX</u>	<u>Surf</u>
Planned ___ or Existing ___ Interm	<u>12 1/4 - 9 5/8</u>	<u>2450</u>		<u>1000 SX</u>	<u>CIR (1402)</u>
Planned ___ or Existing ___ LongSt	<u>8 1/2 - 5 1/2</u>	<u>10620 TD</u>		<u>1425 SX</u>	<u>6,476 CBL</u>
Planned ___ or Existing ___ Liner					
Planned ___ or Existing ___ OpenHole					

Depths/Formations:	Depths, Ft.	Formation	Tops?
Above	<u>7050</u>	<u>WC</u>	<u>✓</u>
Above	<u>8222</u>	<u>CISCO</u>	<u>✓</u>
Proposed Interval TOP:	<u>8664</u>	<u>CISCO</u>	
Proposed Interval BOTTOM:	<u>8798</u>	<u>Canyon</u>	
Below	<u>8758</u>	<u>Canyon</u>	<u>✓</u>
Below	<u>9486</u>	<u>Strawn</u>	<u>✓</u>

SEE 30-015-28759 SWD; CISO (CONCHD)

Capitan Reef? (in \_\_\_ thru \_\_\_) Potash? Noticed? (WIRP? Noticed?) Salado Top 332' Bot 810' Cliff House?       

Fresh Water: MaxDepth: 0 FW Formation QAL Wells? NO Analysis?        Affirmative Statement ✓

Disposal Fluid: Formation Source(s) Podlock + minor ATOCA On Lease        Only from Operator ✓ or Commercial       

Disposal Interval: Protectable Waters? NO H/C Potential: Log        /Mudlog        /DST        /Tested        /Depleted        Other       

Notice: Newspaper Post Date 11/6/12 Surface Owner SLO N. Date 1/5/13

RULE 26.7(A) Identified Tracts? ✓ Affected Persons: MURCHISON/COG/Corcoran/BP/Param/EXXON/ASTM N. Date 1/5/13

AOR: Maps? ✓ Well List? ✓ Producing in Interval? yes - only THIS well Formerly Produced in Interval? yes

Penetrating.....No. Active Wells 3 Num Repairs? 0 on which well(s)?       

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

Permit Conditions:       

Issues:       

Issues:       

Issues: