

04/28/15*	SUSPENSE	ENGINEER	06/24/15	LOGGED IN	TYPE SWD	PPRG 1513230401	APP NO.
-----------	----------	----------	----------	-----------	----------	-----------------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

* No Oversight/
requested & submitted

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



Chevron protested

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 _____

Nadel & Gussman Permian
Kyle 34 Federal No. 1
30-015-31311

Bell Canyon and
Cherry Canyon

[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.

JASON GOSS

Print or Type Name

Signature

ENGINEER

Title

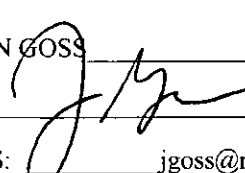
6/17/2015

Date

JGOSS@NAGUSS.COM

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ xxx _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ xxx _____ Yes _____ No
- II. OPERATOR: _____ NADEL AND GUSSMAN PERMIAN, LLC _____
ADDRESS: _____ 601 N. MARIENFELD SUITE 508 MIDLAND TX 79701 _____
CONTACT PARTY: _____ JASON GOSS _____ PHONE: _____ 432-682-4429 _____
- 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.).
- *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: _____ JASON GOSS _____ TITLE: _____ ENGINEER _____
SIGNATURE: _____  _____ DATE: _____ 4/21/2015 _____
E-MAIL ADDRESS: _____ jgoss@naguss.com _____
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

VII.

1. **Proposed average and maximum daily rate and volume of fluids to be injected;**
Average 250 BWPD, Max 10,000 BWPD
2. **Whether the system is open or closed;**
Open System
3. **Proposed average and maximum injection pressure;**
Average 300 PSI, Max 600 PSI
4. **Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and;**
The water is compatible
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.**

The proposed disposal interval is located in the Delaware Mountain Group – Bell Canyon Formation. Injection interval is sand/shale sequences. This Permian age horizon is 3,760' thick in this area. The top of the Delaware formation is at a depth of about 2,510' with the base at a depth of about 6,270' at the top of the Bone Spring Lime. There are no fresh water zones underlying the proposed injection zone. Usable water depth is from surface to the base of the Rustler/top of salt at 350'.

IX. Describe the proposed stimulation program, if any.

15,000 gallons 15% HCL acid job with packer

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.

Nadel and Gussman Permian, L.L.C. has reviewed and examined available geologic and engineering data in the area of interest for the Kyle 34 Federal #1 SWD and have found no evidence of faults or other hydrologic connections between the Delaware disposal zone and the underground sources of drinking water.



Jason Goss, Engineer

III. WELL DATA

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

Kyle 34 Federal #1, Sec. 34-T24S-R28E, 660' FNL & 860' FEL, Eddy County, New Mexico

(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.

Casing Size	Setting Depth	Sacks of Cement	Hole Size	Top of Cement	Determined
13-3/8"	399'	485	17-1/2"	Surface	Circulate
9-5/8"	4,150'	1,660	12-1/4"	Surface	Circulate
5-1/2"	12,200'	1,420	8-3/4"	7,050'	CBL

(3) A description of the tubing to be used including its size, lining material, and setting depth.

3-1/2" OD, Internally Plastic Coated Tubing set @ 2,650'

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Weatherford Arrow set 1X injection packer, nickel plated with on/off tool

Set within 50-100 feet above top Delaware perforations

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.

Delaware – Bell Canyon

Pool Name: SWD (Delaware)

(2) The injection interval and whether it is perforated or open-hole.

2,700' to 3,487' (Perforated)

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

The well was originally drilled as an Atoka – Wolfcamp gas 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.

Atoka Perfs, 11,806' – 11,978', plugged 8/2008; CIBP set at 11,800' with 35' of Cement

Wolfcamp Perfs, 10,636' – 10,652', Squeezed with 100 sacks H neat

Penn Perfs, 11,010' – 11,018', Squeezed with 100 sacks h neat

Cisco Perfs, 11,334' – 11,458', Propose to set CIBP above top perf with cement at 10,600'

Canyon Perfs, 11,538' – 11,632'

(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.

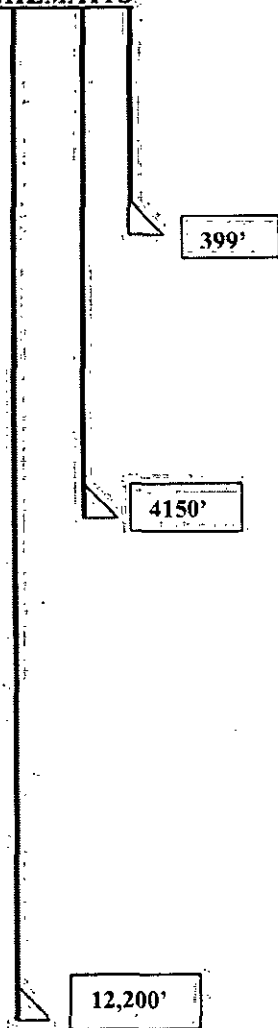
Next Higher: None / Next Lower: Delaware/ Lower Cherry Canyon at 4,810'

INJECTION WELL DATA SHEET

OPERATOR: NADEL AND GUSSMAN PERMIAN, LLC

WELL NAME & NUMBER: KYLE 34 FEDERAL #1

WELL LOCATION: 660' FNL 860' FEL A 34 24S 28E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: 17.5" Casing Size: 13-3/8"
 Cemented with: 485 sx. or ft³
 Top of Cement: SURFACE Method Determined: CIRCULATED

Intermediate Casing

Hole Size: 12.25" Casing Size: 9-5/8"
 Cemented with: 1660 sx. or ft³
 Top of Cement: SURFACE Method Determined: CIRCULATE

Production Casing

Hole Size: 8-3/4" Casing Size: 5-1/2"
 Cemented with: 1420 sx. or ft³
 Top of Cement: 7050' Method Determined: CBL
 Total Depth: SURFACE

Injection Interval

3400'
 2,700-3,487 feet to

PERFORATED

INJECTION WELL DATA SHEETTubing Size: 3.5", 9.3# J-55 Lining Material: Internally plastic coatedType of Packer: Weatherford Arrow Set IX Injection PackerPacker Setting Depth: 50ft above top perfOther Type of Tubing/Casing Seal (if applicable): NONEAdditional Data

1. Is this a new well drilled for injection? Yes XXX No

If no, for what purpose was the well originally drilled? ATOKA - WOLFCAMP GAS WELL

TD 12,200 VERTICAL WELL

2. Name of the Injection Formation: DELAWARE-BELL CANYON/~~UPPER CHERRY~~

3. Name of Field or Pool (if applicable): WILLOW LAKE

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. YES, ATOKA 11,806' - 11,978', PLUG

BACK 8-2008: CIBP SET AT 11,800 WITH 35' OF CEMENT. WOLFCAMP PERFS: 10,636' - 10,652', SQUEEZED W/ 100 SACKS H NEAT. PENN: 11,010-018 SQUEEZED W/ 100 SACKS H NEAT. CISCO PERFS: 11,334' - 11,458' CANYON PERFS 11,538' - 11,632'

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

BELOW: DELAWARE 4810, BONE SPRING 8200, WOLFCAMP, ATOKA, MORROW, PENN, CISCO, CANYON

NADEL AND GUSSMAN PERMIAN

KYLE 34 Federal #1

660' FNL, 860' FEL, Unit A, Sec 34, 24S, 28E, Eddy County, NM
API # 30 - 015 - 31311

Elev: 3001', KB = 301'

CURRENT

13-3/8", 54.5#, J-55 @ 399'
485 sx, cement circulated
17-1/2" hole

9-5/8", 40#, K-55 @ 4150'
1660 sx, cement circulated
12-1/4" hole

TOC @ 7050' CBL
DV Tool @ 8522'
annulus bridged off, no cement
pumped on second stage

5-1/2", 17#, N80 & P110 @ 12,200'
P-110 casing:
TD - 8,859'
1,966' - surface
1420
8-3/4" hole

PBTD @ 11,950'
FC @ 12,112'
TD @ 12,200'

2-7/8", N-80 8.7 PPF EUE
AB mod cplgs w/ rings
341 JTS 2-7/8" 8.7# AB MOD TBG
2.25 f ON/OFF TOOL @ 10,583
Baker hornet pkr @ 10,585'
6' 2-3/8" tail pipe
1.875 RN w 1.822 ng
2-3/8" WLREG

08/2008 Wolfcamp Perfs 10,636-10,652 2 spf
32 holes total sqz'd

12/2005 Penn Perfs 11,010-11,018 4 spf
32 holes total sqz'd

11/11/09 Cisco Perfs 11334-36 10 holes; 11380-82 9 holes
11418-20 9 holes; 11456-58 8 holes

11/11/09 Canyon Perfs 11538-40 9 holes; 11570-72 9 holes
11600-02 9 holes; 11630-32 8 holes
CIBP @ 11,800 cap w\ 35' cmt.

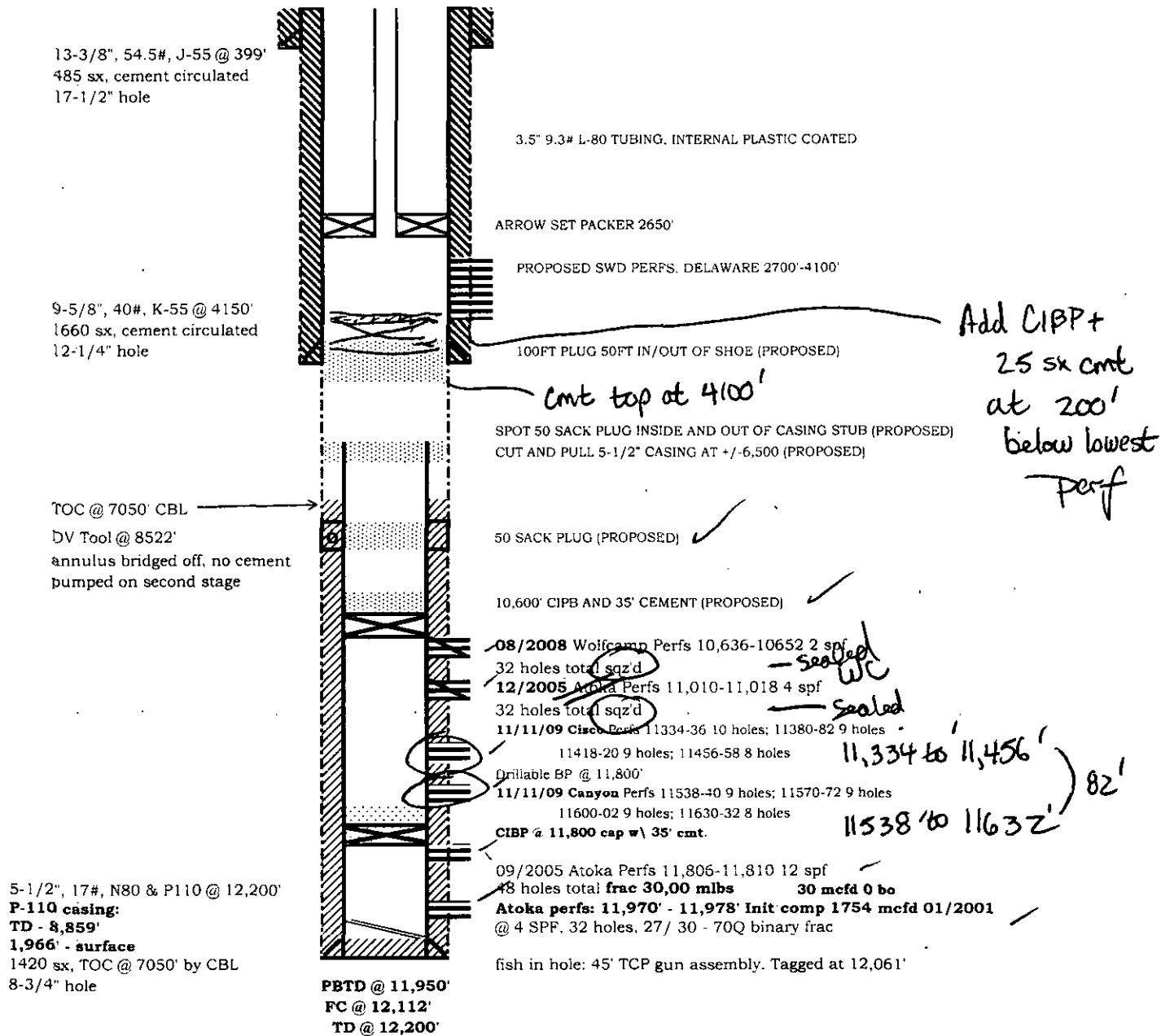
09/2005 Atoka Perfs 11,806-11,810 12 spf
48 holes total frac 30,00 mlbs 30 mcfd 0 bo
Atoka perfs: 11,970' - 11,978' Init comp 1754 mc:
@ 4 SPF, 32 holes, 27/ 30 - 70Q binary frac

fish in hole: 45' TCP gun assembly. Tagged at 12,061

KYLE 34 Federal #1
660' FNL, 860' FEL, Unit A, Sec 34, 24S, 28E, Eddy County, NM
API # 30 - 015 - 31311

Elev: 3001', KB = 301'

PROPOSED SWD INJECTION 4/6/2015



Kyle 34 Federal #1 – Proposed Conversion Procedure

Plan to plug back well to complete in Delaware as Injector pending NMOCD disposal approval.

1. Unset production packer and pull packer.
2. Wireline set CIBP at 10,600' and dump 35ft cement. Uppermost perfs (Wolfcamp 10,636-52')
3. Spot 50 sack plug across DV tool
4. Cut and pull 5-1/2" casing at 6,500ft
5. Spot 50 sack plug across casing stub at 6,200ft
6. Spot 100ft plug, 50ft in and out of Intermediate casing shoe at 4,150ft. Tag plug verify depth.
7. Perforate intermediate casing from 2700ft – 3487ft. Run injection tubing and packer to 2650ft. stimulate with acid.
8. Circulate packer fluid, set packer and run Packer/casing annulus integrity test.

Formation Tops

Rustler	Surface
Salado/ Top Salt	1774'
Base Salt	2311'
Delaware Mountain Group / Bell Canyon	2510'
Cherry Canyon	3420'
Brushy Canyon	4900'
Bone Spring Lime	6270'
Avalon Shale	6597'
Bone Spring 1 st Sand	7226'
Bone Spring 2 nd Sand	8000'
Bone Spring 3 rd Sand	9170'
Wolfcamp	9741' ✓
Penn	11,404
Strawn	11,542
Strawn (lime)	11,796
Atoka (Sand)	11,964
Morrow	12,096

2670 vs.
2510

Cisco Canyon

Impact Water Analysis Analytical Report

IMPACT!
CHEMICAL TECHNOLOGIES, INC.

*Disposal
Water Chemistry*
30-015-42769
Wolfcamp

Company: Nadel & Gussman
Source: Wellhead
Number: 45813
County:

Location: El Presidente St. #3H
Date Sampled: July 15, 2015
Account Manager: David Garcia
Foreman:

ANALYSIS	mg/L	EQ. WT.	MEQ/L
1. pH	6.70		
2. Specific Gravity 60/60 F	1.067		
3. Hydrogen Sulfide	10.2 PPM		
4. Carbon Dioxide	120.0 PPM		
5. Dissolved Oxygen	ND		
6. Hydroxyl (OH ⁻)	0 /	17.0 =	0.00
7. Carbonate (CO ₃ ⁻²)	0 /	30.0 =	0.00
8. Bicarbonate (HCO ₃ ⁻)	244 /	61.1 =	3.99
9. Chloride (Cl ⁻)	57,987 /	35.5 =	1,633.44
10. Sulfate (SO ₄ ⁻²)	664 /	48.8 =	13.61
11. Calcium (Ca ⁺²)	2,792 /	20.1 =	138.91
12. Magnesium (Mg ⁺²)	389 /	12.2 =	31.92
13. Sodium (Na ⁺)	34,045 /	23.0 =	1,480.21
14. Barium (Ba ⁺²)	2.71		
15. Total Iron (Fe)	7.92		
16. Manganese	0.51		
17. Strontium	594.40		
18. Total Dissolved Solids	96,727		
19. Resistivity @ 75 °F (calculated)	0.082 Ω-m		

20. CaCO₃ Saturation Index

@ 80 °F	-0.3041
@ 100 °F	0.0059
@ 120 °F	0.2659
@ 140 °F	0.6259
@ 160 °F	0.9759

PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO ₃) ₂	81.04		3.99	323
CaSO ₄	68.07		13.61	926
CaCl ₂	55.50		121.31	6,733
Mg(HCO ₃) ₂	73.17		0.00	0
MgSO ₄	60.19		0.00	0
MgCl ₂	47.62		31.92	1,520
NaHCO ₃	84.00		0.00	0
NaSO ₄	71.03		0.00	0
NaCl	58.46		1,480.21	86,533

21. CaSO₄ Supersaturation Ratio

@ 70 °F	0.2391
@ 90 °F	0.2384
@ 110 °F	0.2406
@ 130 °F	0.2438
@ 150 °F	0.2469

Analyst: Sylvia Garcia

Date: July 17, 2015

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Impact Chemical**

Well Number: Kyle 34 Fed #2H WH 30-015-42187
Lease: Nadel & Gussman
Location:
Date Run: 4/21/2015
Lab Ref #: 15-apr-w68267

Sample Temp: 70
Date Sampled: 4/10/2015
Sampled by: Sherry Hogue
Employee #:
Analyzed by: GR

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H2S)	3.40	16.00	.21
Carbon Dioxide	(CO2)	230.00	22.00	10.45
Dissolved Oxygen	(O2)	NOT ANALYZED		

Cations

Calcium	(Ca++)	10,886.16	20.10	541.60
Magnesium	(Mg++)	1,742.16	12.20	142.80
Sodium	(Na+)	56,575.73	23.00	2,459.81
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	1.53	27.50	.06
Strontium	(Sr++)	NOT ANALYZED		

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO3=)	.00	30.00	.00
BiCarbonate	(HCO3-)	146.64	61.10	2.40
Sulfate	(SO4=)	320.00	48.80	6.56
Chloride	(Cl-)	111,021.99	35.50	3,127.38
Total Iron	(Fe)	46.91	18.60	2.52
Total Dissolved Solids		180,974.52		
Total Hardness as CaCO3		34,358.26		
Conductivity MICROMHOS/CM		209,000		

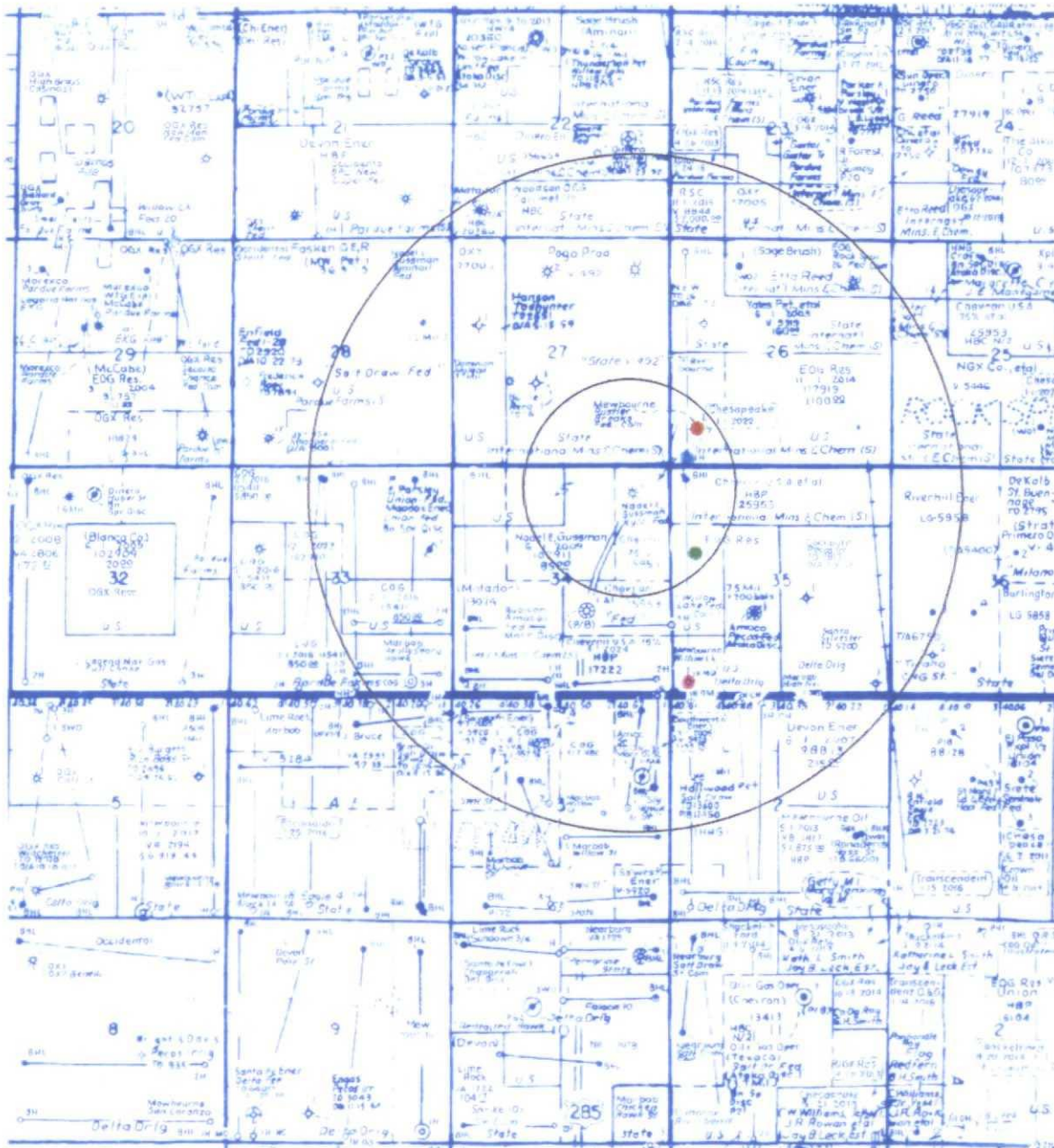
pH 5.200 Specific Gravity 60/60 F. 1.126

CaSO4 Solubility @ 80 F. 21.88MEq/L, CaSO4 scale is unlikely

CaCO3 Scale Index

70.0	-.704	100.0	-.304	130.0	.446
80.0	-.604	110.0	.016	140.0	.446
90.0	-.304	120.0	.016	150.0	.876

Impact Chemical



Section 35, T24S, R28E:

- **Willow Lake "35" MD Federal Com #1H**
Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88241
- **Willow Lake "35" Federal Com #1**
Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88241

Section 26, T24S, R28E:

- **Rustler Breaks 26 W2MD Fee Com #1H (Permitted not drilled)**
Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88241
- **Rustler Breaks 26 Fee Com #1**
Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88241

WELLS INSIDE AREA REVIEW OF Kyle 34 Federal #1

**** 3 wells inside area of review that penetrate the Delaware Formation**

Well	Type	Date drill	Location	Depth	Completion	Status
Willow Lake 35 #1H	Horizontal Oil well	5/24/2013	T-24-S, R-28-E, Sec 35 330' FSL, 370' FWL UL M, Eddy Co. NM	12,790' MD 8,291' TVD	2nd Bone SPG 9,070' - 9,115'	Active see diagram
Willow Lake 35 Fed #1	Vertical gas well	6/3/2002	T-24-S, R-28-E, Sec 35 1980' FSL, 660' FWL UL L, Eddy Co. NM	12,170 MD/TVD <i>9 5/8" casing & cement over interval</i>	Atoka 11940-54	Active See Diagram
Rustler Breaks 26 Fee Com #1	-Vertical gas well	9/27/2002	T-24-S, R-28-E, Sec 26 900' FSL, 660' FWL UL M, Eddy Co. NM	12,118 MD/TVD	Atoka 11,888-96	Active See Diagram

WILLOW LAKE 35 FEDERAL #1

1980' FNL, 660' FWL, Unit E, Sec 35, 24S, 28E, Eddy County, NM
API # 30 - 015 - 32306

Elev: 2971'

MEWBOURNE OIL COMPANY

Current ATOKA

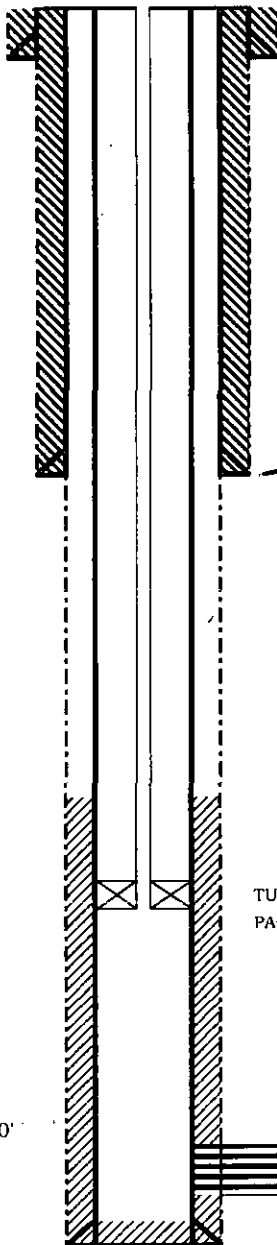
13-3/8", 54.5#, H-40 @ 409'
550 sx, cement circulated
17-1/2" hole

9-5/8", 40#, N-80 @ 5030'
1810 sx, cement circulated
12-1/4" hole

TOC @ 9786' CBL

5-1/2", 17#, N80 & P110 @ 12,170'
P-110 and N-80 Casing:
TD - 12,170'

915 sx Cement
8-3/4" hole



TUBING: 2-7/8" TO 11,940'
PACKER SET AT 11,630'

Atoka perms: 11,940' - 11,954' Init comp 09/2002

TD @ 12,200'

Rustler Breaks 26 Fee Com #1

900' FSL, 660' FWL, Unit M, Sec 26, 24S, 28E, Eddy County, NM
API # 30 - 015 - 32400

Elev: 2954'

MEWBOURNE OIL COMPANY

Current ATOKA

13-3/8", 54.5#, H-40 @ 325'
400 sx, cement circulated
17-1/2" hole

*Injection
Interval
cemented*

9-5/8", 40#, N-80 @ 4628'
1450 sx, cement circulated
12-1/4" hole

TOC: Estimated/Calculated 4000ft ✓

DV Tool at 8952
Circulated cement on 1st stage
1st stage 700 sacks
2nd stage 950 sacks total
lead 850 sx, 2.0 yield
tail 100 sx, 1.18 yield

TUBING: 2-7/8" TO 11,777'
PACKER SET AT 11,760'

5-1/2", 17#, N80 & P110 @ 12,118'

12,118'

1650 sx Cement total
8-3/4" hole

Atoka perms: 11,888' - 11,896' Init comp 11/2002

TD @ 12,118'

Willow Lake 35 Fed Com #1H

330' FSL, 370' FWL, Unit M, Sec 35, 24S, 28E, Eddy County, NM
API # 30 - 015 - 38106

Elev: 2981'

MEWBOURNE OIL COMPANY

Current Bone Spring

13-3/8", 54.5#, H-40 @ 650'
700 sx, cement circulated
17-1/2" hole

9-5/8", 40#, N-80 @ 2600'
1256 sx, cement circulated
12-1/4" hole

TOC: 1930' from Temp Survey 6/10/2013 ✓

Tried to 9518'

4.5" Liner, P-110, 13.5#
packers plus completion
8,413-12,750' MD
Liner hanger at 8413' MD

7" P-110, 26# Casing 8648'
1100 sacks, TOC 1930'
8-3/4" hole

TD 12,790' MD
TVD 8,291'

Affidavit of Publication

No. 23434

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/day on the same

day as follows:

First Publication April 16, 2015

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Subscribed and sworn before me this

16th day of April 2015



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

Nadel and Gussman Permian, L.L.C., 601 N. Marienfeld, Suite 508, Midland, TX 79701 has filed a form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to utilize its Kyle 34 Federal #1 (API - 30-015-31311) as a Salt Water Disposal well.

The Kyle 34 Federal #1 is located at 660' FNL and 860' FEL, Unit Letter A, Section 34, Township 24 South, Range 28 East, Eddy County, New Mexico. The well will dispose of water produced from oil and gas wells into the Delaware Formation at 2,700' to 4,100' at a maximum rate of 10,000 barrels of water per day at a maximum pressure of 600 psi.

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.

Additional information can be obtained by contacting Jason Goss, Nadel and Gussman Permian, LLC, at (432) 682-4429.

Published in the Artesia Daily Press, Artesia, N.M., April 16, 2015 Legal No. 23434.

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite 508

Midland, TX 79701

Office: (432) 682-4429

Fax: (432) 682-4325

RECEIVED OCD
2015 APR 27 P 3:04

April 21, 2015

Surface Owner / Offset Operators

Re: Notification of Application for Authorization to Inject
Kyle 34 Federal #1 SWD Well

Ladies and Gentlemen:

Nadel and Gussman Permian, LLC is seeking administrative approval to utilize its Kyle 34 Federal #1 (API – 30-015-31311) as a Salt Water Disposal well. As required by the New Mexico Oil Conservation Division Rules, we are notifying you of the following proposed salt water disposal well. This letter is a notice only. No action is required unless you have questions or objections.

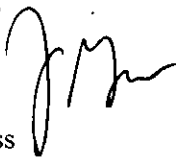
<u>Well:</u>	Kyle 34 Federal #1
<u>Proposed Disposal Zone:</u>	Delaware Formation (from 2,700' - 4,100')
<u>Location:</u>	660' FNL & 860' FEL, Sec. 34, T24S, R28E, Eddy Co., NM
<u>Applicants Name:</u>	Nadel and Gussman Permian, LLC
<u>Applicants Address:</u>	601 N. Marienfeld, Suite 508, Midland, Texas 79701

This application for water disposal well will be filed with the New Mexico Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. And their phone number is 505-476-3460.

Please call me if you have any questions at 432-682-4429.

Sincerely,

Jason Goss



DISTRIBUTION LIST

Scott Branson
P.O. Box 1502
Carlsbad, NM 88221

Surface

Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88241

Oxy USA Inc.
P.O. Box 27570
Houston, TX 77227-7570

Energex Co
100 N. Pennsylvania
Roswell, NM 88201

Chevron USA, Inc.
1400 Smith St.
Houston, TX 77002-7327

RKC Inc.
1527 Hillside Rd.
Fairfield, CT 06490

State of New Mexico
District II
811 S. First St.
Artesia, NM 88210

State of New Mexico
1220 South St. Francis Dr.
Santa Fe, NM 87505

Split-estate / Fed minerals (leaseable)

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.82	Notification App. for Authorization to Inject Mark Here Kyle 34 Fed #1 SWD Well
Certified Fee	3.30	
Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 7.82	APR 22 2015

7014 0510 0002 3592 8562

Scott Branson
 PO Box 1502
 Carlsbad, NM 88221

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <i>Karl Palt</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Karen D. Harrison</p> <p>C. Date of Delivery 4/24/15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Scott Branson PO Box 1502 Carlsbad, NM 88221</p> <p>APR 28 2015</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service #)</p>	<p>7014 0510 0002 3592 8562</p>

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

7014 0510 0002 3592 8579

U.S. Postal Service TM	
CERTIFIED MAILTM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.82

Notification App.
for Authorization
to Inject
Kyle: 34 Fed #1
SMP well
APR 22 2015

Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i></p> <p>C. Date of Delivery 4-30-15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>APR 30 2015</p>
<p>1. Article Addressed to:</p> <p>Mewbourne Oil Company PO Box 5270 Hobbs, NM 88241</p> <p>MAY 04 2015</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>
<p>2. Article Number (Transfer from <i>se</i>)</p> <p>7014 0510 0002 3592 8579</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7014 0510 0002 3592 8586

U.S. Postal ServiceTM	
CERTIFIED MAILTM RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.82
Notification App. for Authorization to Inject Kylie 34 Fed #1 SND APR 22 2015	
Oxy USA Inc. PO Box 27570 Houston, TX 77227-7570	
PS Form 3800, August 2006 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oxy USA Inc.
PO Box 27570
Houston, TX 77227-7570

MAY 26 2015

2. Article Number

(Transfer from service lab)

7014 0510 0002 3592 8586

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature]

☐ Agent

☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)


☐ Yes

7014 0510 0002 3592 8616

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	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.82

Notification App. for Authorization to
 reject Postmark Here
 Kye 34 Fed #1
 SMD
 APR 22 2015

Chevron USA, Inc.
 1400 Smith Street
 Houston, TX 77002-7327
 PS Form 3809, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Chevron USA, Inc. 1400 Smith Street Houston, TX 77002-7327</p> <p>MAY 12 2015</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number</p> <p>(Transfer from service if)</p>	<p>7014 0510 0002 3592 8616</p>

7014 0510 0002 3592 8623

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	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.82

Notification App.
for Authorization
to Inject
KYLE 34 Fed #1
SND
APR 27 2015

Sent **RKC Inc.**
 Special App. No.
or **1527 Hillside Road**
 City, State, Zip **Fairfield, CT 06490**

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse, so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) R. K. RAL C. Date of Delivery 5-13-15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>RKC Inc. 1527 Hillside Road Fairfield, CT 06490</p> <p>MAY 20 2015</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number 7014 0510 0002 3592 8623 (Transfer from service label)</p>	

7014 0510 0002 3592 8647

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	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.82

Notification App. for Authorization to inspect
Kyle 34 Fed #1
SND
APR 22 2015

Sent to
State of New Mexico
1220 South St. Francis Drive
Santa Fe, NM 87505
PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

State of New Mexico
1220 South St. Francis Drive
Santa Fe, NM 87505

MAY 06 2015

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
S. MIZ ☐ Agent ☐ Addressee

C. Date of Delivery
APR 27 2015

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

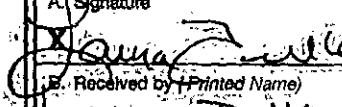
U.S. Postal ServiceTM
CERTIFIED MAILSM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 (For delivery information visit our website at www.usps.com)

OFFICIAL USE

Postage	\$ 1.82	Notification Affirmation Authorization to Inject Postmark Here Kyle 34 Fed #1 EWB APR 22 2015
Certified Fee	3.30	
Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 7.82	

State of New Mexico District II
 811 S. First St.
 Artesia, NM 88210

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>1. Article Addressed to:</p> <p>State of New Mexico District II 811 S. First Street Artesia, NM 88210</p> <p>APR 28 2015</p>	<p>A. Signature </p> <p>B. Received by (Printed Name) Kyle</p> <p>C. Date of Delivery 4-29-15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service #)</p> <p>7014 0510 0002 3592 8630</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7014 0510 0002 3592 8609

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	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.82

Notification App.
for Authentication
to Inspect
Kylie 34 Fed #1
SWD
APR 22 2015

7014 0510 0002 3592 8609

7014 0510 0002 3592 8609

PS Form 3800, August 2006

See Reverse for Instructions

on LLC
08

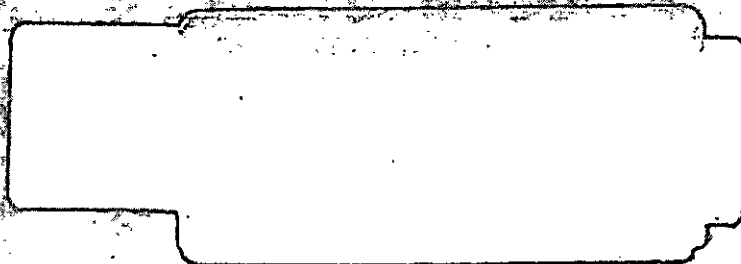
CERTIFIED MAIL™
7014 0510 0002 3592 8609



02 1P
0000027691
MAILED FROM

PERM601 797012045-1N

05/08/15





C-108 Review Checklist:

Received: 04/28/15 Add. Request: Protested / Chevron 06/24/15 Reply Date: 08/3/2015 Suspended: [Ver 15]

ORDER TYPE: WFX/PMX/SWD Number: 1569 Order Date: 8/3/2015 Legacy Permits/Orders: None

Well No. 1 Well Name(s): Kyle 34 Federal

API: 30-0 15-31311 Spud Date: 10/01/2000 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 660 FM/860 FEL Lot - or Unit A Sec 34 Tsp 24S Rge 28E County Eddy

General Location: 4 miles S of Malaga along US285 Pool: ① Salt Draw, Aboka ② Salt Draw, Wolfcamp (Salt Draw: Upper Perm) - 2010 add 97721

BLM 100K Map: Carlsbad Operator: Nadel and Gussman Permian OGRID: 155615 Contact: Jason Goss

COMPLIANCE RULE 5.9: Total Wells: 181 Inactive: 3 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 08/03/15

WELL FILE REVIEWED Current Status: Wolfcamp producer (gas) → Perm producer (gas) 2010; 10 to 23 Mcf gas (last 4 months 2015)

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: GR-BN-SDL-LD-LB-MC

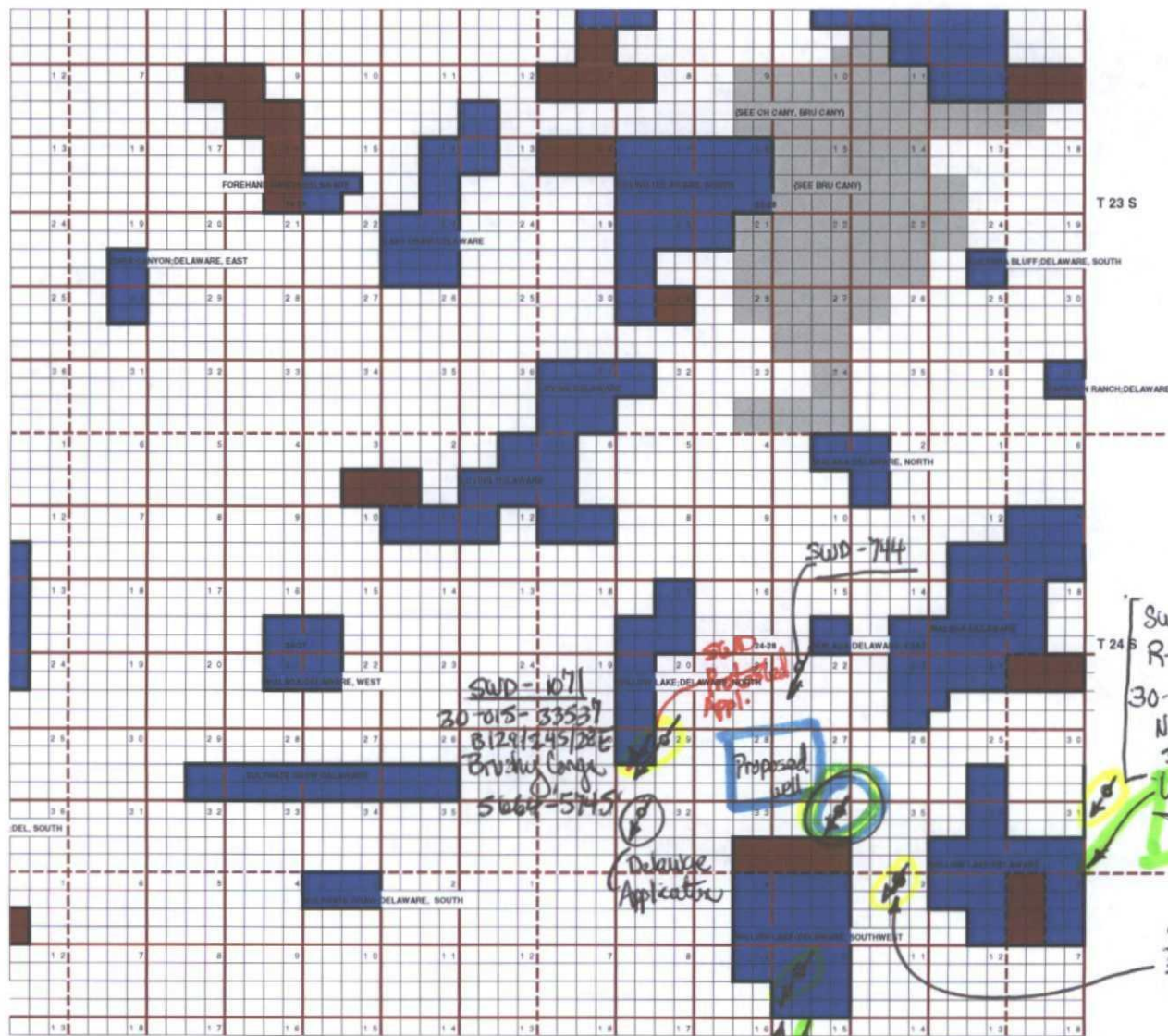
Planned Rehab Work to Well: Place CIBP at 10600+ cmt; 50% cmt at DV tool; cut & pull 5 1/2 casing; RFT 50 sack on cut; spot 100 ft plug on stubborn bottom of 5 1/2; perf & set tubing

Well Construction Details		Sizes (in)		Setting		Cement		Cement Top and	
		Borehole / Pipe		Depths (ft)		St or Cf		Determination Method	
Planned or Existing	Surface	17 1/2	13 3/8	0 to 399	Stage Tool	485		Cir to surface	
Planned or Existing	Intern/Prod	12 1/4	9 5/8	0 to 4150	None	1660		Cir to surface	
Planned or Existing	Intern/Prod	8 3/4	5 1/2	0 to 12200	DV@8522	1420		7050' / CBL	
Planned or Existing	Prod/Liner							no cmt above DV	
Planned or Existing	Liner								
Planned or Existing	OH / PERF	5 1/2	WC 6.500	* 2700 - 3400	Int Length	700			
Injection Lithostratigraphic Units:		Depths (ft)		Injection or Confining Units		Tops		Completion/Operation Details:	
Adjacent Unit: Litho. Struc. Por.								Drilled TD 12200 PBDT 10910 → 11940	
Confining Unit: Litho. Struc. Por.		+190		Salado		1774		NEW TD 4150 NEW PBDT (Perfs added) 3600 CIBP	
Proposed Inj Interval TOP:		2700		Bell Canyon		2510		NEW Open Hole or NEW Perfs	
Proposed Inj Interval BOTTOM:		3400		Cherry Canyon		3420		Tubing Size 3 1/2 in. Inter Coated? Yes	
Confining Unit: Litho. Struc. Por.		+1500		Brushy Canyon		4900		Proposed Packer Depth 2650 ft	
Adjacent Unit: Litho. Struc. Por.				Bone Spring		6270		Min. Packer Depth 2600 (100-ft limit)	
AOR: Hydrologic and Geologic Information									
POTASH: R-111-P No Noticed? NA BLM Sec Ord 46 WIPP No Noticed? NA Salt/Salado T: 1774 B: 2311 NW: Cliff House fm									
FRESH WATER: Aquifer Sandstone alluvial Max Depth 300 HYDRO AFFIRM STATEMENT By Qualified Person									
NMOSE Basin: Carlsbad CAPITAN REEF: thru adj NAC No Wells within 1-Mile Radius? 0 FW Analysis NA									
Disposal Fluid: Formation Source(s) Wolfcamp/Bone Spring Analysis? Yes On Lease Operator Only or Commercial									
Disposal Int: Inject Rate (Avg/Max BWPD): 250/10000 Protectable Waters? Probable NO-sample Source: System: Closed or Open									
HC Potential: Producing Interval? No Formerly Producing? No Method: Logs/DST/P&A/Other 2-Mile Radius Pool Map									
AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 3 Horizontals? 1									
Penetrating Wells: No. Active Wells 3 Num Repairs? 0 on which well(s)? Diagrams? Yes									
Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? Diagrams?									
NOTICE: Newspaper Date 04/16/2015 Mineral Owner Federal 100% Surface Owner Fee - Branson N. Date 04/21/15									
RULE 26.7(A): Identified Tracts? Yes Affected Persons: Scott Branson/Mewbourne/Chevron/OXY/RKC/Energex Date 04/22/15									

Order Conditions: Issues: Protest [reduction in interval]; adjacent horizontal prod. in Cherry Canyon

Add Order Cond: Pull bottom of interval out of Cherry Canyon fm; add CIBP within 200' of injection interval; water chemistry of formation

Kyle 34 Federal No. 1
C-108 Application



SWD-1332
30-015-30229 / Chaparral 10 No. 1
F/Sec 10/25S/28E
Brushy C. - 5050' to 5860'

Willow Lake; SW Pool Brushy & Bone Springy
— Cherry Canger &
— Brushy Canger Production

GEOLOGICAL PROGNOSIS

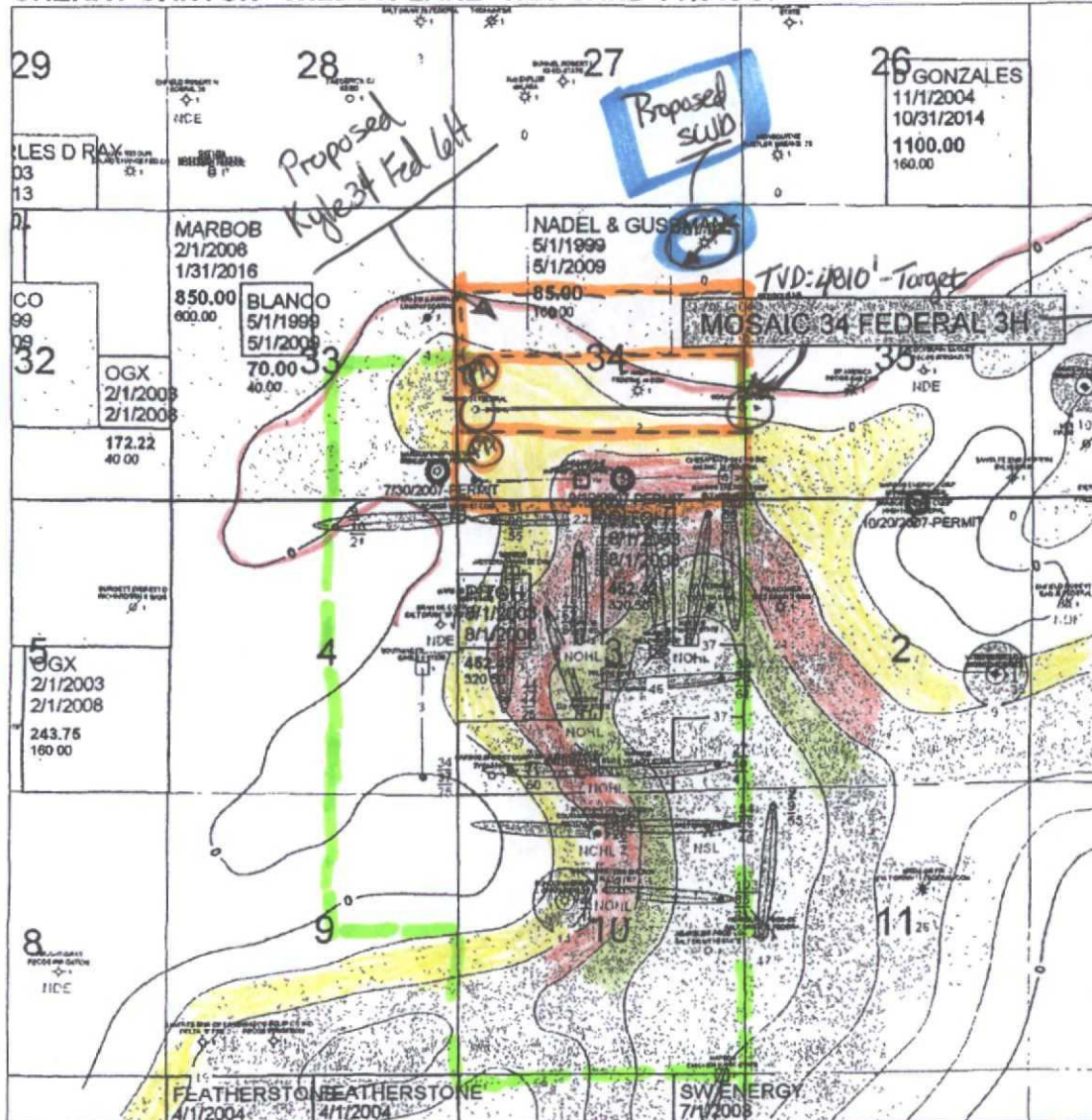
Mosaic 34 Federal #3H, Eddy County, NM

Page 3

Willow Lake, Delaware; SW Pool

CHERRY CANYON "WILLOW LAKE" NET SAND 14% ISOPACH

CI = 10'



**DRILLING AND OPERATIONS PLAN
NADEL AND GUSSMAN PERMIAN, L.L.C.
KYLE 34 FEDERAL #6H**

Surface: 2310' FNL & 150' FEL, UL H

BHL: 2310' FNL & 330' FWL, UL E

Sec 34, T-24-S, R-28-E

Eddy County, New Mexico.

1. Geological Surface Formation: **Permian and Quaternary Alluvium.**
2. Horizontal Oil well. No pilot hole, depth to Fresh Water 200'. **Elevation 2,987' GL**

3. TOPS OF IMPORTANT GEOLOGICAL MARKERS: TVD

Rustler	surface
Top Salt	1774'
BX (base salt)	2311'
Delaware Mountain Group	2510'
Bell Canyon	2633'
Cherry Canyon	3470'
Cherry Canyon Target	4810'
Brushy Canyon	5036'

4. Estimated Depth of Anticipated/Possible Water, Oil or Gas:

Rustler/Castile	0-200'	Fresh Water from WAIDS database
Delaware Mtn. Group	2510'	Oil, gas and water
Bell Canyon	2633'	Oil, gas and water
Cherry Canyon	3470'	Oil, gas and water

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water will be protected by setting 13 3/8" casing at 400' and circulating cement back to surface, all other intervals will be isolated by the 9 5/8" intermediate and 5-1/2" production casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 27 2009

FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM13074	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other		6. If Indian, Allottee or Tribe Name	
2. Name of Operator CHESAPEAKE OPERATING, INC. E-Mail: linda.good@chk.com		7. Unit or CA Agreement Name and No.	
3. Address OKLAHOMA CITY, OK 73154-0496		8. Lease Name and Well No. MOSAIC 34 FEDERAL 3H	
3a. Phone No. (include area code) Ph: 405-935-4275		9. API Well No. 30-015-36001-00-S1	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* Sec 34 T24S R28E Mer NMP At surface NESW 1670FSL 25FWL At top prod interval reported below Sec 34 T24S R28E Mer NMP At total depth NWSW 1630FSL 318FWL		10. Field and Pool, or Exploratory WILLOW LAKE	
14. Date Spudded 10/04/2008		15. Date T.D. Reached 11/03/2008	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 12/10/2008		17. Elevations (DF, KB, RT, GL)* 3003 GL	
18. Total Depth: MD 9665 TVD 4828		19. Plug Back T.D.: MD 9602 TVD 4765	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CPD CNLDDL	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)			

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 H-40	40.0		642		700		0	
12.250	9.625 J-55	36.0		2600		885		0	
8.750	5.500 N-80	17.0		9665		1950		2100	
17.500	13.375 H-40	40.0	0	642		700		0	
12.250	9.625 J-55	36.0	0	2600		885		0	
7.875	5.500 N-80	17.0	0	9665		1950		2100	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	4430							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE			5348 TO 5904		30	open
B)			5348 TO 6619		60	OPEN
C)			6020 TO 6619		30	open
D)			6778 TO 7361		30	open

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
5348 TO 5904	gal B Frac 25 X-Link gel, w/ 300080# 20/40 white sand, 50000# 20/40 super LC
6020 TO 6619	gal B Frac 25 X-Link gel, w/ 300000# 20/40 white sand, 59820# 20/40 super LC
6778 TO 7361	gal B Frac 25 X-Link gel, w/ 300000# 20/40 white sand, 49040# 20/40 super LC
6778 TO 7361	FRAC W/182,094 GAL B FRAC 25 X-LINK GEL, 300,000# 20/40 WHITE SD. (SEE REMARKS FOR REMAINDER PERFS)

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #66556 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

ACCEPTED FOR RECORD
JAN 25 2009
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Accepted for record - NMOCD

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Cheek Size	Tbg. Press Flow SI	Csg. Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg. St	Csg. Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

29 Disposition of Gas (Sold, used for fuel, vented, etc.)
UNKNOWN

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
BASE OF SALT WILLOW LAKE	2603 4922	3628 9665	LIMESTONE SAND/SILT/SHALE		

32. Additional remarks (include plugging procedure):

LOGS ARE BEING SENT VIA UPS OVERNIGHT TO JERRY FANT.

#44 CONT'D:

9085-9559: 300,500# 20/40 WHITE SAND, TAILING W/49,800# 20/40 SUPER LC.

8276-8859: TAILING W/50,000# 20/40 SUPER LC.

7491-7999: TAILING W/51,080# 20/40 SUPER LC.

6778-7361: TAILING W/49,040# 20/40 SUPER LC.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions).

Electronic Submission #66556 Verified by the BLM Well Information System.

For CHESAPEAKE OPERATING, INC., sent to the Carlsbad

Committed to AFMSS for processing by KURT SIMMONS on 01/22/2009 (09KMS0697SE)

Name (please print) LINDA GOOD

Title SR, REGULATORY COMPLIANCE SPEC

Signature (Electronic Submission)

Date 01/22/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****



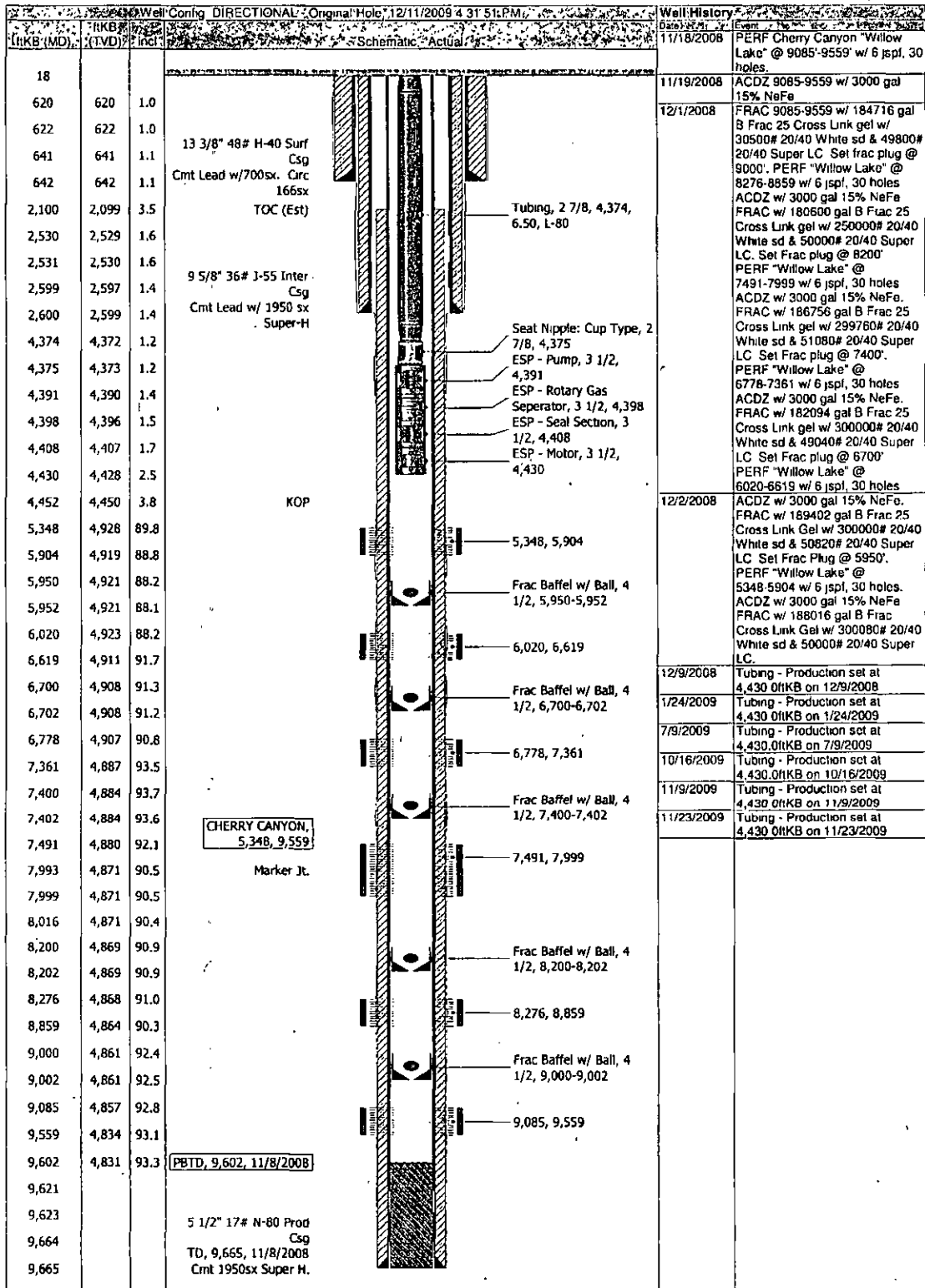
Current Wellbore Schematic with Survey Tracks

MOSAIC 34 FEDERAL 3H

Field: SE EDDY PROJECT - WILLOW LAKE PROSPECT
County: EDDY
State: NEW MEXICO
Elevation: GL 2,987.00 KB 3,005.00
KB Height: 18.00

Location: SEC 34, 24S-28E, 1670 FSL & 25 FEL

Spud Date: 10/4/2008
Initial Compl. Date:
API #: 3001536001
CHK Property #: 616369
1st Prod Date: 12/15/2008
PBD: Original Hole - 9602.0
TD: 9,665.0



T24.0S-R28.0E

20

21

22

23

24

29

28

27

26

25

32

33

34

35

36

5

4

3

2

1

MEWBOURNE OIL CO
RUSLER BREAKS 26 W2MD FEE COM

RKI EXPLORATION
BUNNE ROBERT L
COLLINS
MAYAGA

MEWBOURNE OIL CO
RUSTLER BREAKS 26 FEE COM

MEWBOURNE OIL CO
WILLOW LAKE 35 FEDERAL COM

COG OPERATING LLC
RALLY BEAT FEE COM

MARBOB ENERGY CORP
SPANKY FEDERAL COM

MARBOB ENERGY CORP
UNION FEDERAL COM

MEWBOURNE OIL CO
WILLOW LAKE 35 FEDERAL COM

MARBOB ENERGY CORP
REALITY SCARY FEDERAL COM

AMOCO PRODUCTION
FEDERAL 31 COM

AMOCO PRODUCTION
PECOS GAS COM

COCKBURN BARNEY
SRRIGATION

CHESAPEAKE OPERG INC
MOSAIC 34 FEDERAL

CHESAPEAKE OPERG INC
MOSAIC 34 FEDERAL

CHESAPEAKE OPERG INC
MOSAIC 34 FEDERAL

MARBOB ENERGY CORP
SCARED HAWK STATE COM

MARBOB ENERGY CORP
SLY HAWK STATE

MARBOB ENERGY CORP
WILLOW STATE

MARBOB ENERGY CORP
HIGH NET SWD

LIME ROCK RES A LP
EAGLE 4 STATE COM

MARBOB ENERGY CORP
SLY HAWK STATE

MARBOB ENERGY CORP
SALT DRAW 2 CN FEE

MARBOB ENERGY CORP
WESTERN HAWK STATE COM

MARBOB ENERGY CORP
WILLOW STATE

MARBOB ENERGY CORP
WILLOW STATE

MEWBOURNE OIL CO
SALT DRAW 2 CN FEE

DEVON ENERGY CORP
NORMAN STATE COM

MEWBOURNE OIL CO
SALT DRAW 2 CN FEE



New Mexico Office of the State Engineer








Active & Inactive Points of Diversion

(with Ownership Information)

(R=POD has been replaced and no longer serves this file, (quarters are 1=NW 2=NE 3=SW 4=SE)
C=the file is closed) (quarters are smallest to largest) (NAD83 UTM in meters)

(acre ft per annum)																	
WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	q	q	q	Sec	Tws	Rng	X	Y
C 01264	EXP	0	GUY A. REED	ED	C 03358	POD1			Shallow	1	4	1	26	24S	28E	588416	3562116
C 01265	CUB	EXP	0	GUY A. REED	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03158	C	PRO	0	NEARBURG PRODUCTING	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03250	C	PRO	0	PATTERSON DRILLING COMPANY	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03315	C	PRO	0	CORKY GLENN	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03358	C	STK	3	SCOTT BRANSON	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116
C 03359	C	PRO	0	CORKY GLENN	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116
C 03376	C	PRO	0	RIO TANKS FASLINE INC	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116
C 03391	C	PRO	0	RIO TANKS FASLINE INC.	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116
C 03423	C	STK	3	SCOTT BRANSON	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03425	C	PRO	0	BOBCO PRODUCTION CO	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03466	C	PRO	0	O.G.X. RESOURCES	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03473	C	PRO	0	SCOTT BRANSON	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03474	C	PRO	0	SCOTT BRANSON	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03475	C	PRO	0	SCOTT BRANSON	ED	C 01265			Shallow	2	4	1	26	24S	28E	543749	3561658
C 03485	C	PRO	0	SCOTT BRANSON	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116
C 03486	C	PRO	0	SCOTT BRANSON	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116
C 03487	C	PRO	0	SCOTT BRANSON	ED	C 03358	POD1		Shallow	1	4	1	26	24S	28E	588416	3562116

(R=POD has been replaced
and no longer serves this file, (quarters are 1=NW 2=NE 3=SW 4=SE)
C=the file is closed) (quarters are smallest to largest) (NAD83 UTM in meters)

(acre ft per annum)						C=the file is closed)		(quarters are smallest to largest) (NAD83 UTM in meters)											
WR File Nbr	Sub	basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	q q q				X	Y			
	6416 4										Sec	Tws	Rng						
C 03683	C	PRO		0	SCOTT BRANSON	ED	C 03683 POD1				2	4	1	26	24S	28E	588786	3561952	
C 03685	C	PRO		0	SCOTT BRANSON	ED	C 03683 POD1				2	4	1	26	24S	28E	588786	3561952	
						ED	C 03685 POD1				2	4	1	26	24S	28E	588786	3561952	
C 03742	C	PRO		0	CONCHO OIL & GAS	ED	C 03358 POD1			Shallow	1	4	1	26	24S	28E	588416	3562116	
C 03743	C	PRO		0	CONCHO OIL & GAS	ED	C 03358 POD1			Shallow	1	4	1	26	24S	28E	588416	3562116	
C 03744	C	PRO		0	CONCHO OIL & GAS	ED	C 03358 POD1			Shallow	1	4	1	26	24S	28E	588416	3562116	
C 03833	C	DOL		3	SCOTT BRANSON	ED	C 03833 POD1	NON		Shallow	2	1	2	26	24S	28E	589014	3562545	

Record Count: 25

POD Search:

POD Basin: Carlsbad

PLSS Search:

Section(s): 26, 27, 34, 35 Township: 24S Range: 28E

Sorted by: File Number

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.

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Tuesday, May 12, 2015 2:51 PM
To: Jason Goss (jgoss@naguss.com)
Cc: Jordan L. Kessler (JLKessler@hollandhart.com); McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; Jones, William V, EMNRD; Michael Feldewert (mfeldewert@hollandhart.com)
Subject: Protest of Application to Inject -

RE: Kyle 34 Federal No. 1 (API 30-015-31311) Sec 34, T. 24 S., R. 28 E., NMPM, Eddy County.

Mr. Goss:

OCD was notified through counsel that Chevron USA, Inc. is protesting this application (within the 15-day period) for approval of a salt water disposal well. This party is identified as an affected person for the location being considered in the application. Therefore, you are being notified that if Nadel & Gussman Permian, LLC wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained by OCD, but suspended from further administrative review. Please contact OCD once you have made a decision regarding the application within the next 30 days. If the protest remains after 30 days, OCD will initiate the process for the application to be reviewed at hearing. Please call/e-mail me with any questions regarding this matter. PRG

Contact Information:

Michael Feldewert, Attorney
Holland & Hart
110 N. Guadalupe, Suite 1
Santa Fe, NM 87501
Phone: 505.988.4421
E-mail: mfeldewert@hollandhart.com

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462
phillip.goetze@state.nm.us

Goetze, Phillip, EMNRD

From: Jason Goss <jgoss@naguss.com>
Sent: Wednesday, June 24, 2015 7:50 AM
To: McMillan, Michael, EMNRD
Cc: Goetze, Phillip, EMNRD; Sarah Presley
Subject: RE: Kyle 34 Federal Well No. 1

Mr. McMillan,

We have reached an agreement with Chevron for a lower most perforation in the Kyle #1 to be 3,487'. We have made those changes to the permit and will be sending shortly.

Thanks!

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Tuesday, April 28, 2015 4:10 PM
To: Jason Goss
Cc: Goetze, Phillip, EMNRD
Subject: RE: Kyle 34 Federal Well No. 1

Mr. Goss:

We will also need the following information.

What pools (zones) will be injected into the well? You will need to provide analysis for the wells.

You will need analysis of the disposal zone also.

Michael McMillan

From: McMillan, Michael, EMNRD
Sent: Tuesday, April 28, 2015 2:10 PM
To: 'jgoss@naguss.com'
Subject: Kyle 34 Federal Well No. 1

Mr. Goss:

We received your application today.

We need the following information, before we can process your application

- Administrative application checklist
- Return receipts for the operators, surface, and mineral interest owners.
- *Affirmative statement signed by yourself or a geologist stating that there is no evidence of open faults between the disposal zone and any underground sources of drinking water (part XII of the Application for Authorization to inject)*
- Economic analysis of the well, because based on OCD records, it is currently producing from the Salt Draw Atoka and Salt Draw Wolfcamp pools.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division

1220 South St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448 F. 505.476.3462

Michael.mcmillan@state.nm.us

Goetze, Phillip, EMNRD

From: Jason Goss <jgoss@naguss.com>
Sent: Monday, July 27, 2015 8:32 AM
To: Goetze, Phillip, EMNRD
Subject: FW: Kyle 34 Federal #1 SWD

Mr. Goetze,

See below, our agreement with Chevron.

Thanks

From: Delach, Amber Tarr [mailto:ATarr@chevron.com]
Sent: Thursday, June 04, 2015 9:25 AM
To: Jason Goss
Subject: RE: Kyle 34 Federal #1 SWD

Thanks, Jason.

Amber Tarr Delach
Land Representative

Delaware Basin - New Mexico
Chevron North America Exploration and Production Company
1400 Smith St.
Houston, TX 77002
Direct: 713-372-9877
Fax: 1-844-382-3721
Email: atarr@chevron.com

From: Jason Goss [mailto:jgoss@naguss.com]
Sent: Tuesday, June 02, 2015 3:40 PM
To: Delach, Amber Tarr
Subject: RE: Kyle 34 Federal #1 SWD

Amber,

NGP proposes to inject in the Kyle #1 no deeper than the top of the Cherry Canyon at 3,487' MD (-468' SS). I will amend the permit and send it to the OCD and you. Thanks!

Thanks Jason

From: Delach, Amber Tarr [mailto:ATarr@chevron.com]
Sent: Friday, May 29, 2015 8:59 AM
To: Jason Goss
Cc: Harmon Murphy; Scott Grifo; Laning, James B
Subject: RE: Kyle 34 Federal #1 SWD

Jason,

If you'll just e-mail an updated proposal, that should suffice.

Thanks,

Amber Tarr Delach
Land Representative

Delaware Basin - New Mexico
Chevron North America Exploration and Production Company
1400 Smith St.
Houston, TX 77002
Direct: 713-372-9877
Fax: 1-844-382-3721
Email: atarr@chevron.com

From: Jason Goss [<mailto:jgoss@naguss.com>]
Sent: Thursday, May 28, 2015 2:49 PM
To: Delach, Amber Tarr
Cc: Harmon Murphy; Scott Grifo
Subject: RE: Kyle 34 Federal #1 SWD

Amber,

Thank you. Please let me know if you need anything further in order to rescind the protest.

Thanks again Jason

From: Delach, Amber Tarr [<mailto:ATarr@chevron.com>]
Sent: Thursday, May 28, 2015 12:08 PM
To: Jason Goss
Cc: Harmon Murphy; Michael Matteucci; Scott Grifo; Laning, James B; Bosell, Benjamin L
Subject: RE: Kyle 34 Federal #1 SWD

Jason,

They pick the top of the Cherry Canyon at 3,487' MD (-468' SS). Please let me know if you have any questions, or need additional information.

Thanks,

Amber Tarr Delach
Land Representative

Delaware Basin - New Mexico
Chevron North America Exploration and Production Company
1400 Smith St.
Houston, TX 77002
Direct: 713-372-9877
Fax: 1-844-382-3721
Email: atarr@chevron.com

From: Jason Goss [<mailto:jgoss@naguss.com>]
Sent: Thursday, May 28, 2015 8:39 AM
To: Delach, Amber Tarr

Cc: Harmon Murphy; Michael Matteucci; Scott Grifo
Subject: Kyle 34 Federal #1 SWD

Amber,

NGP agrees to Chevron's proposal of the lowermost perf for SWD at the top of the Cherry Canyon in Section 34. Can you provide me the depth of the top of the Cherry Canyon based on your teams depth pick?

Thanks!

Jason Goss
Nadel and Gussman Permian
432-682-4429 office