

DATE IN 5/19/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 5/19/08	TYPE SWD	APP NO. PKUP0814133524
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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 _____

[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.

Eddie W. Seay Eddie W. Seay Agent 5/19/2008
 Print or Type Name Signature Title Date
 Seay 24 @ leaco.net
 e-mail Address

RECEIVED
 2008 MAY 19 PM 4 24

May 14, 2008

RECEIVED
2008 MAY 19 PM 4 24

NMOCD Engineering
ATTN: Will Jones
1220 S. Saint Francis Drive
Santa Fe, NM 87504

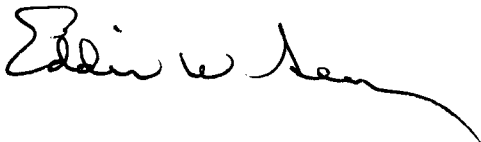
RE: Fulfer Oil & Cattle LLC
Maralo Sholes B #2 API 30-025-09806
C-108 Application

Mr. Jones:

Find within the new application as you suggested. We are refileing to inject into the lower Yates and 7 Rivers, all notices have been sent and advertised.

Should you have any questions, please call.

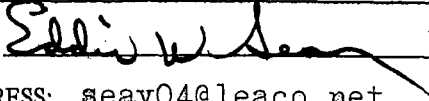
Sincerely,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

cc: Fulfer Oil & Cattle

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? ☒ Yes No
- II. OPERATOR: Fulfer Oil & Cattle LLC (OGRID-141402)
ADDRESS: P.O. Box 578 Jal, NM 88252
CONTACT PARTY: Eddie W. Seay PHONE: 575-392-2236
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Eddie W. Seay TITLE: Agent
SIGNATURE:  DATE: 5/9/2008
E-MAIL ADDRESS: seay04@leaco.net
- * 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: _____

ATTACHMENT TO APPLICATION C-108

Maralo Sholes B #2
Unit P, Sect. 25, Tws. 25 S., Rng. 36 E.
API: 30-025-09806
Lea Co., NM

III. WELL DATA

- A.
 - 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 3 1/2" plastic coated tubing.
 - 4) Baker AD-1.
- B.
 - 1) Injection formation is the Lower Yates and 7 Rivers.
 - 2) Injection interval 2938' to 3055'.
 - 3) Well was drilled as a producer.
 - 4) The next higher producing zone, none, the base of salt at approximately 2562' .
The next lower producing zone is the Queen at approximately 3400' , but is non-productive.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

- VII.** Fulfer proposes to re-complete the above listed well. Clean out well bore, squeeze existing perms and recomplete in Lower Yates and open hole in 7 Rivers from 2938' to 3055' . Run 3 1/2" plastic coated tubing with 3 1/2" packer and set at approximately 2850' .

- 1) Plan to inject approximately 5000 bpd of produced water from Fulfers own operation and surrounding production of the same waters.
- 2) Closed system.
- 3) Average injection pressure should be approximately 500# to 700# or whatever limit OCD allows.
- 4) Only produced water from formation in this area.

VIII. See Attached.

There is no fresh water found for this area of review. Sample of water well in Section 26 was obtained, see attached.

IX. ACID AS NEEDED.

X. PREVIOUSLY SUBMITTED TO OCD.

XI. ATTACHED.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. ATTACHED.

WELL NAME & NUMBER: Marble Shoals B #2

36

RANGE

WELL CONSTRUCTION DATA

Surface Casing

WELL LOG DATA:

DEPTH (FEET)	FORMATION	LOG TYPE	HOLESIZE (IN)	CEMENT (CU YD)	DEPTH (FEET)	HOLESIZE (IN)	CEMENT (CU YD)
0 - 25	SANDSTONE	UL	10 3/4	150	25 - 345	10 3/4	150
25 - 345	SANDSTONE	UL	10 3/4	150	345 - 660	10 3/4	150
345 - 660	SANDSTONE	UL	10 3/4	150	660 - 1225	10 3/4	150
660 - 1225	SANDSTONE	UL	10 3/4	150	1225 - 2775	10 3/4	150

WELL LOG SUMMARY:

WELL NO.	WELL NAME	WELL TYPE	WELL STATUS	WELL DATE
25	WELL 25	UL	10 3/4	150

Method Determined: Calculated

Intermediate Casing

Method Determined:

Production Casing

Total Depth: 2955-

Injection Interval

2938 feet to 3055

(Perforated or Open Hole indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2 Lining Material: IPC
 Type of Packer: Baker AD-1 Packer
 Packer Setting Depth: 2850 ft.
 Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

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

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

drilled and produced from Tolmat Gas

2. Name of the Injection Formation: Lower Yates - 7 Rivers

3. Name of Field or Pool (if applicable): Tolmat (Yates, Tansill - 7R) Gas Pool

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

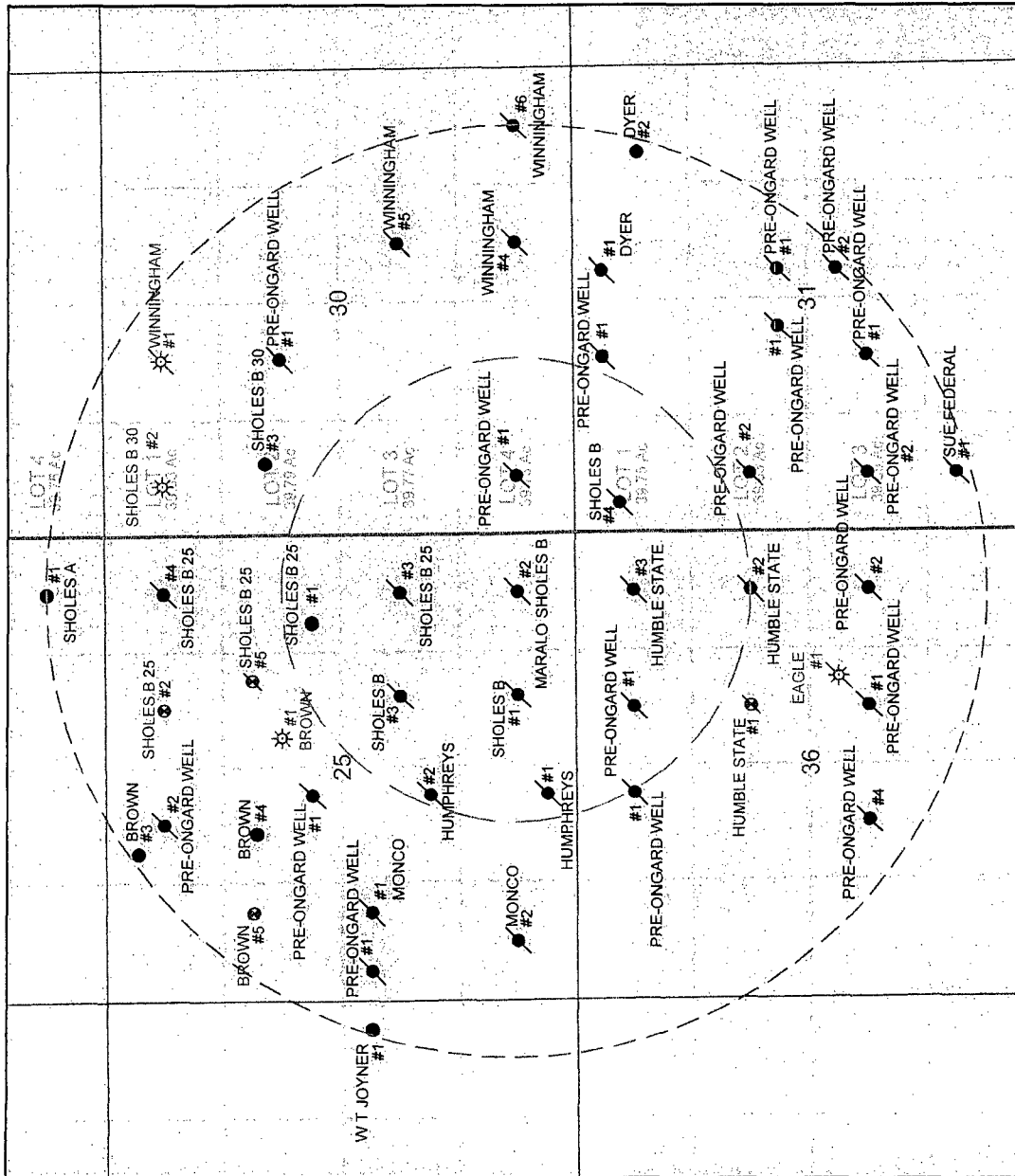
2871 to 2910 and squeezed, and is presently perforated from 2733 - 2824

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

The upper Yates and salt section is above 2562 to 2824
Lower zone are the Queen 3400 no production.

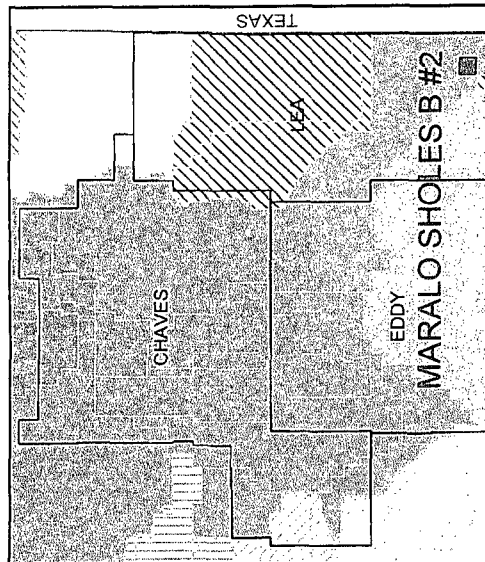
WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09806																															
FORM	DEPTH	OPERATOR: FULFER OIL & CATTLE LLC																															
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>10 3/4 @ 410' TOC 0'</p> <p>Rustler 1010</p> <p>8 5/8 @ 1225' Mudded in</p> <p>Top Salt 1280</p> <p>Base Salt 2552</p> <p>Yates 2730</p> <p>est Seven R. 2975</p> </div> <div style="width: 50%;"> <p>TOC @ 2000 Calc</p> <p>PERFS 2733-2824 sqz</p> <p>PERFS 2871-2910 sqz w/75 sxs</p> <p>Plastic lined tubing w/pkr @ 2850'</p> <p>7 @ 2938' TOC @ 2000'</p> <p>TD 3055</p> </div> </div>		LEASENAME: MARALO SHOLES B																															
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>SURF LOC:</td> <td>UL: P</td> <td>SEC: 25</td> <td>TWN: 25S</td> <td>RNG: 36E</td> </tr> <tr> <td colspan="2"></td> <td colspan="2">660 FSL</td> <td>660 FEL</td> </tr> <tr> <td>BH LOC:</td> <td>UL: P</td> <td>SEC: 25</td> <td>TWN: 25S</td> <td>RNG: 36E</td> </tr> <tr> <td colspan="2"></td> <td colspan="2">660 FSL</td> <td>660 FEL</td> </tr> <tr> <td>TD</td> <td>3055</td> <td>PBD</td> <td>KB</td> <td>DF 3023</td> </tr> <tr> <td colspan="3"></td> <td>GL</td> <td>3021</td> </tr> </table>		SURF LOC:	UL: P	SEC: 25	TWN: 25S	RNG: 36E			660 FSL		660 FEL	BH LOC:	UL: P	SEC: 25	TWN: 25S	RNG: 36E			660 FSL		660 FEL	TD	3055	PBD	KB	DF 3023				GL	3021
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SURFACE OWNERSHIP

- BLM
- BUREAU OF RECLAM.
- PARK
- PRIVATE
- STATE
- NATIONAL PARK SERV.
- WILDLIFE REFUGE
- FOREST SERVICE
- TRIBAL LANDS
- ACTIVE OIL
- ACTIVE GAS
- ACTIVE INJECTION
- ACTIVE WATER
- ACTIVE SWD
- INACTIVE OIL
- INACTIVE GAS
- INACTIVE INJECTION
- INACTIVE WATER
- INACTIVE SWD
- WATER WELL



DECLARED GROUND WATER BASINS

- CAPITAN
- CARLSBAD
- FORT SUMNER
- LEA COUNTY
- JAL
- HONDO
- PENASCO
- PORTALES
- ROSWELL
- ARTESIAN
- SALT BASIN

1 MILE RADIUS

1/2 MILE RADIUS

TOWNSHIP LINE

SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

SOUTHWEST ROYALTIES INC

MARALO SHOLES B #2

API: 3002509806

SEC: 25

UNIT: P

TWP: 25S

RNG: 36E

660 FSL

COUNTY: LEA

S 42 W - 1.6 MILES FROM Jal. NM

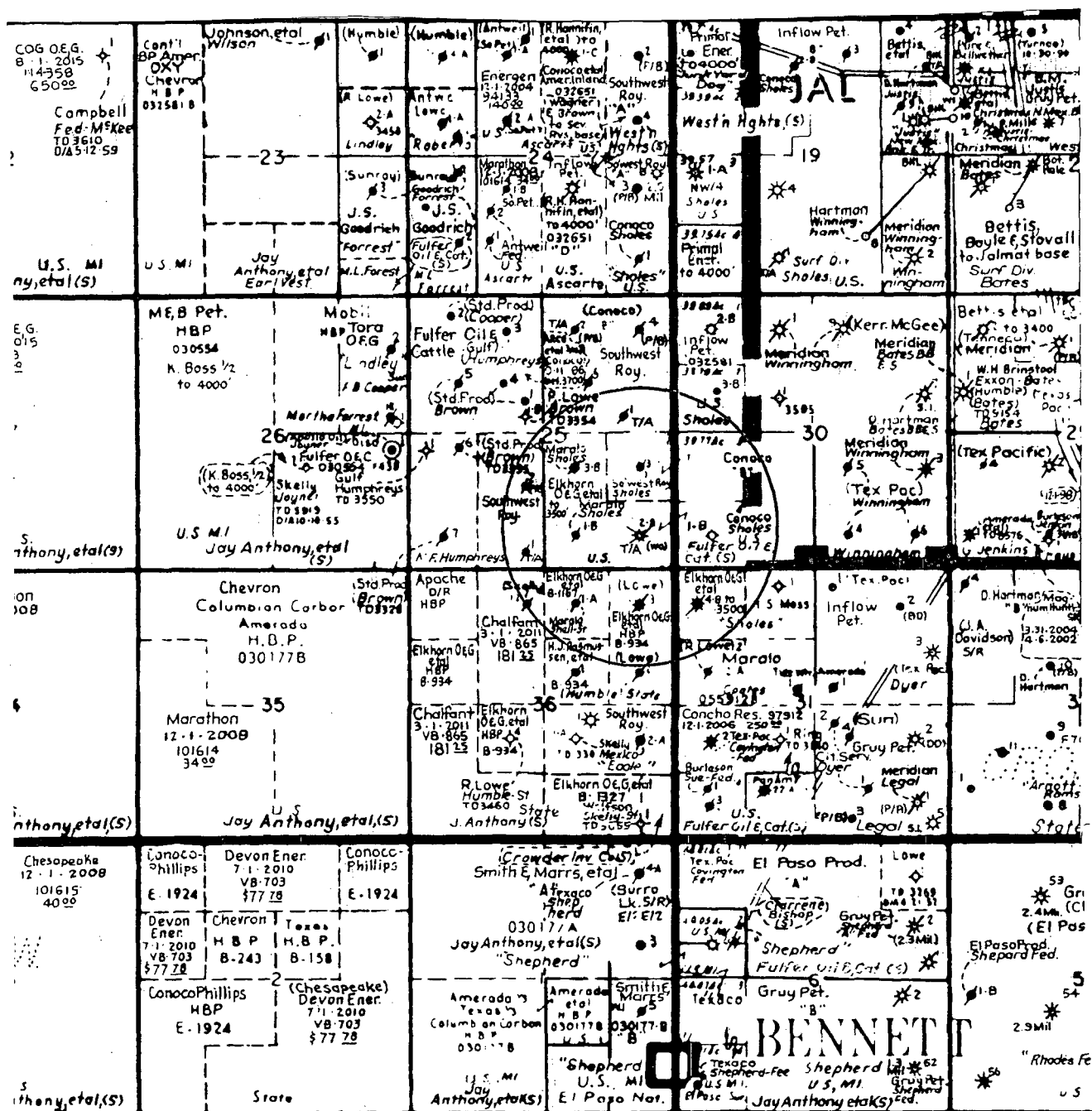
LAT: 32°05'52" N. LON: 103°12'75" W.

NO WARRANTY IS EXPRESSED OR IMPLIED FOR THE ACCURACY, COMPLETENESS OR TIMELINESS OF THIS MAP

DATE: 11/01/07

www.WELLFROMAPPING.COM

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DISPOSAL WELL

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATUS	CO	LAND	U/L	SEC	TWN	RNG	N/S	E/W
30-025-09806	MARALO SHOLES B	2	FULFER OIL & CATTLE LLC	3055		TA		F	P	25	25 S	36 E	660 S	660 E

Wells within 1/2 mile of the proposed disposal well.

5280

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATUS	CO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Distance
30-025-09809	SHOLES B 25	3	CONOCOPHILLIPS COMPANY	3035		P&A		F	I	25	25 S	36 E	1980 S	660 E	1320 ✓
30-025-09812	SHOLES B 25	1	SOUTHWEST ROYALTIES INC	2950	Active			F	H	25	25 S	36 E	2310 N	990 E	2333 ✓
30-025-09815	HUMPHREYS	1	FULFER OIL & CATTLE LLC	3255		TA		P	N	25	25 S	36 E	330 S	2310 W	2333 ✓
30-025-09816	SHOLES B 25	1	MARALO LLC	3220		P&A		F	O	25	25 S	36 E	660 S	1830 E	1170 ✓
30-025-09817	HUMPHREYS	2	MARALO LLC	3222		P&A		P	K	25	25 S	36 E	1650 S	2310 W	2513 ✓
30-025-09819	SHOLES B 25	3	MARALO LLC	3220		P&A		P	J	25	25 S	36 E	1980 S	1830 E	1763 ✓
30-025-09830	HUMBLE STATE	2	SOUTHWEST ROYALTIES INC	3006		P&A		S	H	36	25 S	36 E	1980 N	660 E	2640 ✓
30-025-09831	HUMBLE STATE	3	MARALO LLC	2950		P&A		S	A	36	25 S	36 E	660 N	660 E	1320 ✓
30-025-09833	SHELL A STATE	1	MARALO INC	3138		P&A		S	B	36	25 S	36 E	660 N	1980 E	1866 ✓
30-025-11852	SHOLES B	4	MARALO LLC	3105		P&A		F	D	31	25 S	37 E	510 N	330 W	1532 ✓

API	WELL NAME	OPERATOR	FTG NS	NS CD	FTG EW	EW CD	OCD	ISDIV	Sec	Tsp	Rge	TVD DEPTH	OGRID CDE	PROPERTY	LAN	WELL	NBR	C	ACRES	SPUD DATE	COMPL STAT
3002509804	BROWN 001	FULFER OIL & CATTLE LLC	1980 N		2310 E	E	F	F	25 25S	36E		3406	141402	29160 P	G		1		160		Active
3002509807	BROWN 005	FULFER OIL & CATTLE LLC	1650 N		990 W	E	E	E	25 25S	36E		3289	141402	29160 S	S		1		40		Active
3002509808	SHOLES B 25 002	SOUTHWEST ROYALTIES INC	660 N		1980 E	E	B	B	25 25S	36E		3375	21355	18085 F	S		1		40		Active
3002509818	BROWN 003	FULFER OIL & CATTLE LLC	365 N		1650 W	C	C	C	25 25S	36E		3225	141402	29160 P	O				40	02-May-60	Active
3002509820	BROWN 004	FULFER OIL & CATTLE LLC	1690 N		1870 W	F	F	F	25 25S	36E		3247	141402	29160 P	O		1		40	06-Aug-60	Active
3002509823	BROWN 002	FULFER OIL & CATTLE LLC	330 N		825 W	D	D	D	25 25S	37E		3321	141402	29160 P	O		1		40	18-Dec-59	Active
3002511854	DYER 002	INFLOW PETROLEUM RESOURCES LP	735 N		980 E	A	A	A	31 25S	37E		3440	225789	33728 P	O		1		40	16-Jul-75	Active
3002511854	DYER 002	INFLOW PETROLEUM RESOURCES LP	735 N		980 E	A	A	A	31 25S	37E		3440	225789	33728 P	O		2		200	18-Oct-51	Active
3002511858	LEGAL 003	CIMAREX ENERGY CO OF COLORADO	330 S		980 E	O	O	O	31 25S	37E		3336	162683	21831 P	O		2		200		Active
3002511857	M F LEGAL 002	CIMAREX ENERGY CO OF COLORADO	1980 S		660 E	E	I	I	31 25S	37E		3350	162683	21767 P	G		1		160	29-Jul-83	Active
3002528289	M F LEGAL 005	CIMAREX ENERGY CO OF COLORADO	330 S		330 E	P	P	P	31 25S	37E		2968	225789	33728 P	G		1		160	10-May-76	Active
3002511855	DYER 003	INFLOW PETROLEUM RESOURCES LP	1650 N		330 E	H	H	H	31 25S	37E		2950	21355	18085 F	O		1		40		Active
3002509812	SHOLES B 25 001	SOUTHWEST ROYALTIES INC	2310 N		990 E	H	H	H	25 25S	36E		3000	225789	33755 F	O		1		39.79	05-Jan-01	Active
3002535223	SHOLES B 30 003	INFLOW PETROLEUM RESOURCES LP	1806 N		815 W	E	2	2	30 25S	37E		3054	225789	33755 F	G		1		80	06-Feb-50	Active
3002511840	SHOLES B 30 002	INFLOW PETROLEUM RESOURCES LP	660 N		560 W	D	I	I	30 25S	37E				21830 P	G				480		Active
3002528637	WINNINGHAM 009	CIMAREX ENERGY CO OF COLORADO	660 N		1980 E	B	B	B	30 25S	37E			162683	21830 P	G		1		480		Active
3002528637	WINNINGHAM 009	CIMAREX ENERGY CO OF COLORADO	660 N		1980 E	B	B	B	30 25S	37E			162683	21830 P	G		1		480		Active
3002528637	WINNINGHAM 009	CIMAREX ENERGY CO OF COLORADO	660 N		1980 E	B	B	B	30 25S	37E			162683	21830 P	G		1		480		Active

PLUG	ONE PRODUCING POOL NAME	TspN	TspD	RgeN	RgeD	water_inj_2007	water_inj_2006	LAST_PROD	days_prod_2007	gas_prod_2007	gas_prod_2006	oil_prod_2007	oil_prod_2006	water_prod_2007	water_prod_2006
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	36 E	36 E	36 E	51640	47133	2007-12	85	0	0	41	32	0	1391
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	36 E	36 E	36 E	51640	47133	2007-12	0	0	0	0	0	0	0
	JALMAT-TAN-YATES-7 RVRS (OIL)	25 S	36 E	36 E	36 E		123115	2007-10	127	0	0	40	14	24220	9350
	JALMAT-TAN-YATES-7 RVRS (OIL)	25 S	36 E	36 E	36 E			2007-12	168	0	0	3	0	2220	2964
	JALMAT-TAN-YATES-7 RVRS (OIL)	25 S	36 E	36 E	36 E			2007-12	179	0	0	7	0	15976	3568
	JALMAT-TAN-YATES-7 RVRS (OIL)	25 S	37 E	37 E	37 E			2007-12	0	0	0	0	0	0	0
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2005-12	0	0	0	0	0	0	0
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	363	1406	2000	0	10	673	325
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	365	2110	1998	0	9	431	328
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	365	2514	2587	0	0	0	0
	JALMAT-TAN-YATES-7 RVRS (OIL)	25 S	36 E	36 E	36 E			2008-01	365	3848	3529	0	50	73	0
	JALMAT-TAN-YATES-7 RVRS (OIL)	25 S	37 E	37 E	37 E			2007-12	365	11207	7589	98	97	131	317
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	365	11504	2148	30	0	49	0
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	330	32149	36399	0	0	4179	5156
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	330	32149	36399	0	0	4179	5156
	JALMAT-TAN-YATES-7 RVRS (GAS)	25 S	37 E	37 E	37 E			2007-12	330	32149	36399	0	0	4179	5156

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09812	
FORM	DEPTH	OPERATOR: SOUTHWEST ROYALTIES INC	
		LEASENAME: SHOLES B 25	
		WELL NO. 1	
		SURF LOC:	UL: H SEC: 25 TWN: 25S RNG: 36E
		2310 FNL 990 FEL	
		BH LOC:	UL: H SEC: 25 TWN: 25S RNG: 36E
		2310 FNL 990 FEL	
		TD 2950	PBD KB DF
		GL	
		POOL	
		Open Hole: 2675-2950	
		JALMAT; TAN-Y-7R	
		POOL	
		PERFS	
		POOL	
		PERFS	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	9 5/8	1098	600 sxs	na	0'
PROD.	7	2675	650 sxs	na	na

FORMATION	DEPTH
Rustler	
Top Salt	1200
Base Salt	2560
Yates	2700
Seven Rivers	2940

9 5/8 @ 1098' TOC @ 0'

7 @ 2675' TOC @ na'

TD 2950

2007 mode

10 5/8 / 10 1/2 PBD

(ACTIVE well)

TD 2950

3055

1940 IP 10' / 2000 G

1996 TRANS 2000 G

2353 away

Some SS Depos

Overlap internal probably will not tie too much FLUID.

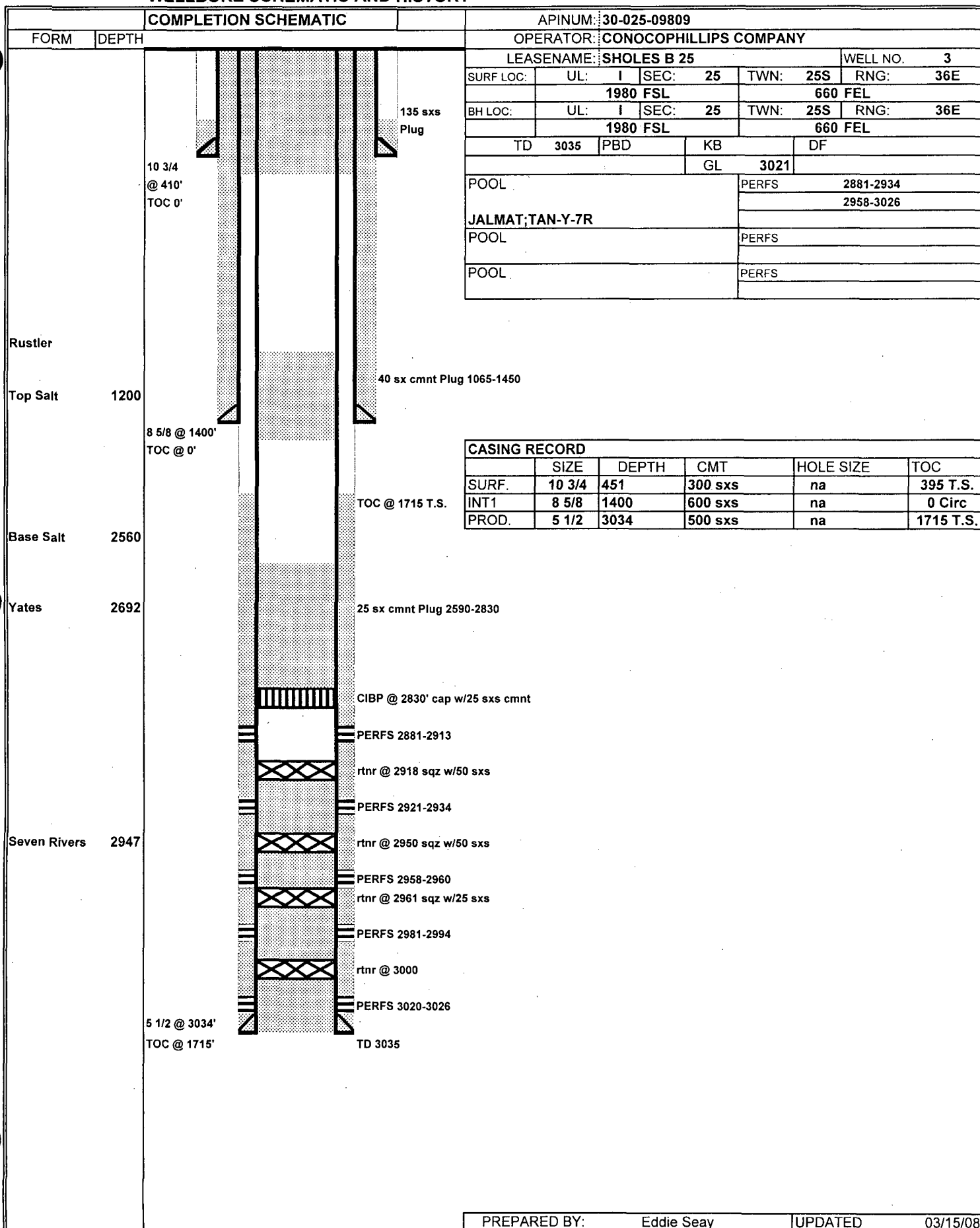
Maybe it will help!

PREPARED BY: Eddie Seay

UPDATED

05/04/08

WELLBORE SCHEMATIC AND HISTORY



WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09815																													
FORM	DEPTH	OPERATOR: FULFER OIL & CATTLE LLC																													
		LEASENAME: HUMPHREYS																													
		WELL NO. 1																													
		SURF LOC:	UL: N SEC: 25 TWN: 25S RNG: 36E																												
		330 FSL 2310 FWL																													
		BH LOC:	UL: N SEC: 25 TWN: 25S RNG: 36E																												
		330 FSL 2310 FWL																													
		TD 3255	PBD KB DF																												
		GL 3014																													
		POOL																													
		PERFS 2881-2934																													
2958-3026																															
JALMAT; TAN-Y-7R																															
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CASING RECORD																															
	SIZE	DEPTH	CMT	HOLE SIZE	TOC																										
SURF.	10 3/4	405	150 sxs	13	0 Calc																										
INT1	7	3113	250 sxs	8	733 Calc																										
PROD.	5 1/2	3155	50 sxs	6 3/4	2310 CBL																										
11/18/2002 Well TA																															
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PREPARED BY: Eddie Seay	UPDATED 03/15/08																														

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09816								
FORM	DEPTH	OPERATOR: MARALO LLC								
		LEASENAME: SHOLES B 25			WELL NO. 1					
		SURF LOC:	UL: O	SEC: 25	TWN: 25S	RNG: 36E				
		660 FSL			1830 FEL					
		BH LOC:	UL: O	SEC: 25	TWN: 25S	RNG: 36E				
		660 FSL			1830 FEL					
		TD 3220	PBD	KB	DF					
					GL 3017					
		POOL				PERFS 3185-3195 ???				
		JALMAT; TAN-Y-7R				Open Hole				
						POOL				PERFS
						POOL				PERFS
Rustler	1010	50 sx Plug								
Top Salt	1280									
Base Salt	2640									
Yates	2805									
Seven Rivers	3050	CIBP @ 3000 Cap w/25sxs								
		Perfs 3185-3195???								
		TD 3220								
		5 1/2 @ 3220'								
		TOC @ 2000'								
		PLUG 374-474								
		10 3/4 @ 426'								
		TOC 0'								

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	426	150 sxs	na	0' CIRC
PROD.	5 1/2	3220	700 sxs	na	2000' calc

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09817																					
FORM	DEPTH	OPERATOR: MARALO LLC																					
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>10 3/4 @ 417' TOC 0'</p> <p>Rustler 1033</p> <p>Top Salt 1242</p> <p>Base Salt 2640</p> <p>Yates 2937</p> <p>Seven Rivers 3175</p> <p>5 1/2 @ 3222' TOC @ 1385'</p> </div> <div style="width: 45%; border-left: 1px solid black; padding-left: 10px;"> <p>PLUG 387-487</p> <p>35 sx Plug Pulled 1200' csng</p> <p>CIBP @ 3000 Cap w/25sxs</p> <p>TOC Plug @ 2800</p> <p>Perfs 2947-3153</p> <p>Perfs 2947-3153</p> <p>Perfs 2947-3153</p> <p>CIBP @ 3120 cap W/45 sxs</p> <p>Perfs 2947-3153</p> <p>TD 3257</p> </div> </div>		LEASENAME: HUMPHREYS																					
		WELL NO. 2																					
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">SURF LOC:</td> <td style="width: 10%;">UL: K</td> <td style="width: 10%;">SEC: 25</td> <td style="width: 10%;">TWN: 25S</td> <td style="width: 10%;">RNG: 36E</td> </tr> <tr> <td colspan="3" style="text-align: center;">1650 FSL</td> <td colspan="2" style="text-align: center;">2310 FWL</td> </tr> <tr> <td>BH LOC:</td> <td>UL: K</td> <td>SEC: 25</td> <td>TWN: 25S</td> <td>RNG: 36E</td> </tr> <tr> <td colspan="3" style="text-align: center;">1650 FSL</td> <td colspan="2" style="text-align: center;">2310 FWL</td> </tr> </table>		SURF LOC:	UL: K	SEC: 25	TWN: 25S	RNG: 36E	1650 FSL			2310 FWL		BH LOC:	UL: K	SEC: 25	TWN: 25S	RNG: 36E	1650 FSL			2310 FWL	
		SURF LOC:	UL: K	SEC: 25	TWN: 25S	RNG: 36E																	
		1650 FSL			2310 FWL																		
		BH LOC:	UL: K	SEC: 25	TWN: 25S	RNG: 36E																	
		1650 FSL			2310 FWL																		
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">TD 3257</td> <td style="width: 10%;">PBD</td> <td style="width: 10%;">KB</td> <td style="width: 10%;">DF 3023</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: center;">GL 3035</td> <td></td> </tr> </table>		TD 3257	PBD	KB	DF 3023			GL 3035													
		TD 3257	PBD	KB	DF 3023																		
				GL 3035																			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">POOL</td> <td style="width: 40%;">PERFS 2947-3153</td> </tr> <tr> <td>JALMAT; TAN-Y-7R</td> <td>Open Hole 3222-3257</td> </tr> <tr> <td>POOL</td> <td>PERFS</td> </tr> <tr> <td>POOL</td> <td>PERFS</td> </tr> </table>		POOL	PERFS 2947-3153	JALMAT; TAN-Y-7R	Open Hole 3222-3257	POOL	PERFS	POOL	PERFS														
POOL	PERFS 2947-3153																						
JALMAT; TAN-Y-7R	Open Hole 3222-3257																						
POOL	PERFS																						
POOL	PERFS																						

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	417	150 sxs	13	0' CIRC
PROD.	5 1/2	3222	200 sxs	6 3/4	1385 calc

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09819				
FORM	DEPTH	OPERATOR: MARALO LLC				
		LEASENAME: SHOLES B 25				
		WELL NO. 3				
		SURF LOC:	UL: J	SEC: 25	TWN: 25S	RNG: 36E
		1980 FSL		1830 FEL		
		BH LOC:	UL: J	SEC: 25	TWN: 25S	RNG: 36E
		1980 FSL		1830 FEL		
		TD 3220	PBD 3079	KB	DF 3023	
		GL 3021				
		POOL		PERFS 3019-3079		
		JALMAT; TAN-Y-7R		Open Hole		
POOL		PERFS				
POOL		PERFS				

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	425	150 sxs	10 3/4	0' CIRC
PROD.	5 1/2	3019	300 sxs	7	2236' calc

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09830																																	
FORM	DEPTH	OPERATOR: SOUTHWEST ROYALTIES INC																																	
<p>10 @ 200' TOC 0'</p> <p>85 sx Plug</p> <p>60 sxs Plug Tag top @ 1220</p> <p>8 5/8 @ 1500' Mudded in</p> <p>TOC @ 2127' Calc</p> <p>CIBP cap w/35' cmnt</p> <p>7 @ 2887' TOC @ 2127'</p> <p>TD 3006</p>		LEASENAME: HUMBLE STATE		WELL NO. 2																															
		SURF LOC: UL: H SEC: 36 TWN: 25S RNG: 36E		1980 FNL 660 FEL																															
		BH LOC: UL: H SEC: 36 TWN: 25S RNG: 36E		1980 FNL 660 FEL																															
		TD 3006 PBD KB DF		GL 2987																															
		POOL		PERFS																															
		JALMAT; TAN-Y-7R		Open Hole 2887-3006																															
		POOL		PERFS																															
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		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">CASING RECORD</th> </tr> <tr> <th></th> <th>SIZE</th> <th>DEPTH</th> <th>CMT</th> <th>HOLE SIZE</th> <th>TOC</th> </tr> </thead> <tbody> <tr> <td>SURF.</td> <td>10</td> <td>200</td> <td>100 sxs</td> <td>12</td> <td>0' CIRC</td> </tr> <tr> <td>INT1</td> <td>8</td> <td>1500</td> <td>200 sxs</td> <td>10</td> <td>0' CIRC</td> </tr> <tr> <td>PROD.</td> <td>7</td> <td>2887</td> <td>200 sxs</td> <td>8</td> <td>2127' Calc</td> </tr> </tbody> </table>						CASING RECORD							SIZE	DEPTH	CMT	HOLE SIZE	TOC	SURF.	10	200	100 sxs	12	0' CIRC	INT1	8	1500	200 sxs	10	0' CIRC	PROD.	7	2887	200 sxs
CASING RECORD																																			
	SIZE	DEPTH	CMT	HOLE SIZE	TOC																														
SURF.	10	200	100 sxs	12	0' CIRC																														
INT1	8	1500	200 sxs	10	0' CIRC																														
PROD.	7	2887	200 sxs	8	2127' Calc																														
Rustler	1010																																		
Top Salt	1280																																		
Base Salt	2560																																		
Yates	2725																																		
Seven Rivers	2975																																		

PREPARED BY: Eddie Seay

UPDATED 03/15/08

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09831																			
FORM	DEPTH	OPERATOR: MARALO LLC																			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>10 3/4 @ 405 TOC 0'</p> <p>Rustler 990</p> <p>Top Salt 1280</p> <p>8 5/8 @ 1260' TOC @ 687 calc</p> <p>Base Salt 2585</p> <p>Yates 2725</p> <p>Seven Rivers 2970</p> </div> <div style="width: 45%;"> <p>Plug 5 sxs</p> <p>Perf & Sqz 65 sxs</p> <p>110 sx Plug</p> <p>Pulled 7 @ 1200</p> <p>sqz 200 sxs cmnt TOC @ 1900 Calc</p> <p>CIBP cap w/35' cmnt</p> <p>7 @ 2887' TOC @ 1900'</p> <p>TD 3006</p> </div> </div>		LEASENAME: HUMBLE STATE																			
		WELL NO. 3																			
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">SURF LOC:</td> <td style="width: 25%;">UL: A</td> <td style="width: 25%;">SEC: 36</td> <td style="width: 25%;">TWN: 25S</td> <td style="width: 20%;">RNG: 36E</td> </tr> <tr> <td colspan="5" style="text-align: center;">660 FNL</td> </tr> <tr> <td colspan="5" style="text-align: center;">660 FEL</td> </tr> </table>		SURF LOC:	UL: A	SEC: 36	TWN: 25S	RNG: 36E	660 FNL					660 FEL							
		SURF LOC:	UL: A	SEC: 36	TWN: 25S	RNG: 36E															
		660 FNL																			
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		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">BH LOC:</td> <td style="width: 25%;">UL: A</td> <td style="width: 25%;">SEC: 36</td> <td style="width: 25%;">TWN: 25S</td> <td style="width: 20%;">RNG: 36E</td> </tr> <tr> <td colspan="5" style="text-align: center;">660 FNL</td> </tr> <tr> <td colspan="5" style="text-align: center;">660 FEL</td> </tr> </table>		BH LOC:	UL: A	SEC: 36	TWN: 25S	RNG: 36E	660 FNL					660 FEL							
		BH LOC:	UL: A	SEC: 36	TWN: 25S	RNG: 36E															
		660 FNL																			
		660 FEL																			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">TD 2950</td> <td style="width: 25%;">PBD</td> <td style="width: 25%;">KB</td> <td style="width: 25%;">DF 3023</td> </tr> <tr> <td colspan="4" style="text-align: center;">GL 3000</td> </tr> </table>		TD 2950	PBD	KB	DF 3023	GL 3000															
TD 2950	PBD	KB	DF 3023																		
GL 3000																					
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">POOL</td> <td style="width: 30%;">PERFS</td> </tr> <tr> <td>JALMAT; TAN-Y-7R</td> <td>Open Hole 2887-2950</td> </tr> <tr> <td>POOL</td> <td>PERFS</td> </tr> <tr> <td>POOL</td> <td>PERFS</td> </tr> </table>		POOL	PERFS	JALMAT; TAN-Y-7R	Open Hole 2887-2950	POOL	PERFS	POOL	PERFS												
POOL	PERFS																				
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INT1 8 5/8	1260	150 sxs	10	687 Calc																	
PROD. 7	2887	150 sxs	8	1900' Calc																	
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PROD. 7	2887	150 sxs	8	1900' Calc																	
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PROD. 7	2887	150 sxs	8	1900' Calc																	

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-09833	
FORM	DEPTH	OPERATOR: MARALO INC	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>10 3/4 @ 410 TOC 0'</p> <p>Rustler 992</p> <p>Top Salt 1260</p> <p>Base Salt 2615</p> <p>Yates 2710</p> <p>Seven Rivers 2950</p> <p>7 @ 2884' TOC @ 1905</p> <p>5 1/2 @ 3138' TOC @ 2355'</p> </div> <div style="width: 45%;"> <p>Plug 10 sxs</p> <p>circ cmnt 80 sx Plug</p> <p>PULL 5 1/2 @ 1150 17 sxs Plug 1100-1200</p> <p>TOC @ 1905</p> <p>TOC @ 2355</p> <p>TAG top Plug @ 2800'</p> <p>Plug 25 sxs</p> <p>PERFS 3045-3138 ???</p> <p>TD 3138</p> </div> </div>		LEASENAME: SHELL A STATE	
		WELL NO. 1	
		SURF LOC: UL: B SEC: 36 TWN: 25S RNG: 36E	
		660 FNL 1980 FEL	
		BH LOC: UL: B SEC: 36 TWN: 25S RNG: 36E	
		660 FNL 1980 FEL	
		TD 3138 PBD KB DF 3023	
		GL 2999	
		POOL	
		PERFS 3045-3138 ???	
JALMAT; TAN-Y-7R			
Open Hole			
POOL			
PERFS			
POOL			
PERFS			

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	410	150 sxs	12	0' CIRC
INT1	7	0-610		10	
INT1	7	610-2884	150 sxs	8	1905 Calc
PROD.	5 1/2	3138	150 sxs	7	2355' Calc

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-11852	
FORM	DEPTH	OPERATOR: MARALO LLC	
		LEASENAME: SHOLES B	
		WELL NO. 4	
		SURF LOC:	UL: D SEC: 31 TWN: 25S RNG: 37E
		510 FNL 330 FWL	
		BH LOC:	UL: D SEC: 31 TWN: 25S RNG: 37E
		510 FNL 330 FWL	
		TD 3105	PBD KB DF 3023
		GL	
		POOL	
		PERFS 3065-3080	
JALMAT; TAN-Y-7R			
Open Hole			
POOL			
PERFS			
POOL			
PERFS			

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	425	150 sxs	na	0' CIRC
PROD.	7	3105	300 sxs	na	na

PREPARED BY: Eddie Seay

UPDATED

03/15/08

Geology

The proposed disposal interval is in the lower 40 feet of the Yates Formation and in the Upper 80 feet of the Seven Rivers Formation. The Yates is a dolomitic sandstone and the upper Seven Rivers consists of dolomite with some interbedded sandstone. As is shown by the structure maps on the Yates, Seven Rivers and Queen formations and the schematic section indicates that the Capitan Reef lies 1.5 miles to 3.0 miles west of the proposed disposal well. The injection into the lower Yates and upper Seven Rivers will not have any impact on the reef.

Jones, William V., EMNRD

From: Kautz, Paul, EMNRD
Sent: Friday, May 16, 2008 2:44 PM
To: Jones, William V., EMNRD
Subject: Fulfer SWD revised application

Will

Eddie Seay was in my office this morning. He gave me a copy of the revised Fulfer Sholes B #2 application. He asked me to review it per your request in your last e-mail. I reviewed the geology and the structure maps correspond real close to some old GEOMAP structure maps I have and to maps in the Roswell Geologic society Field maps for southeastern New Mexico. I also looked several logs online and at the Xerox copy of a log he is submitting with the application. I agree that the reef is not present in the area of the proposed disposal. I agree the Reef is probably at least a mile or more to the west. The Capitan reef is younger than the Queen formation and therefore probably is not present vertically below the well.

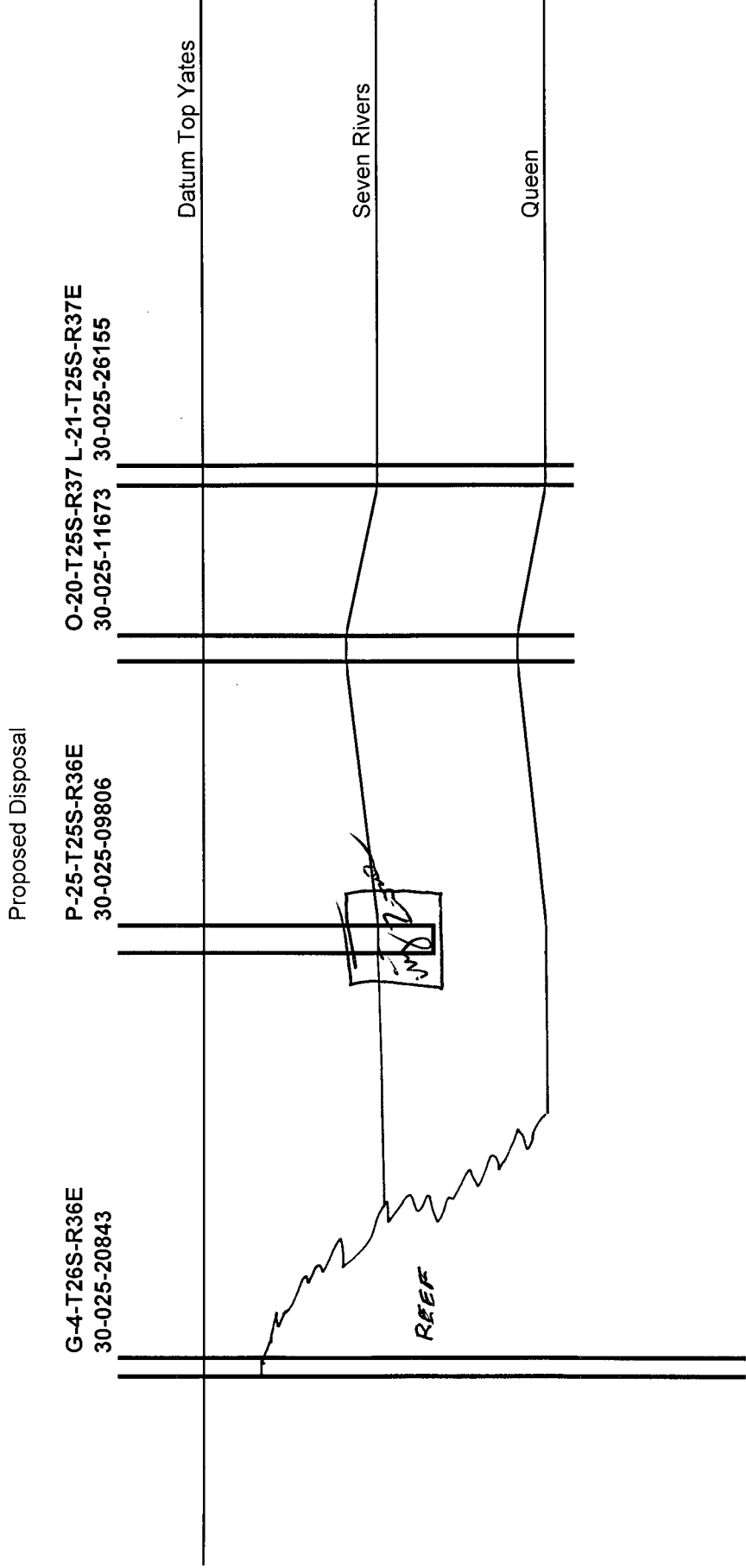
If you have any questions call or e-mail me.

Paul Kautz

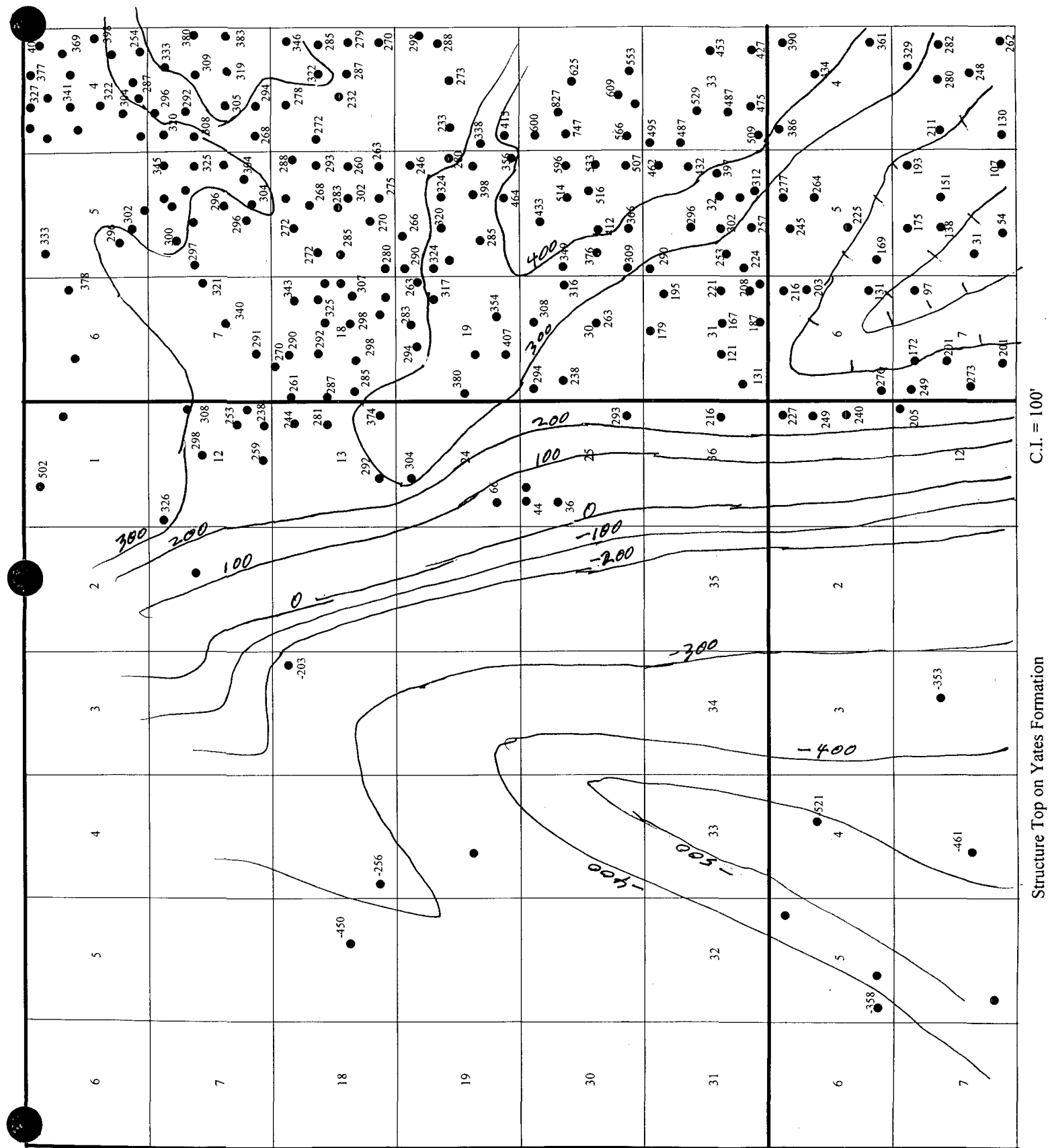
5/16/2008

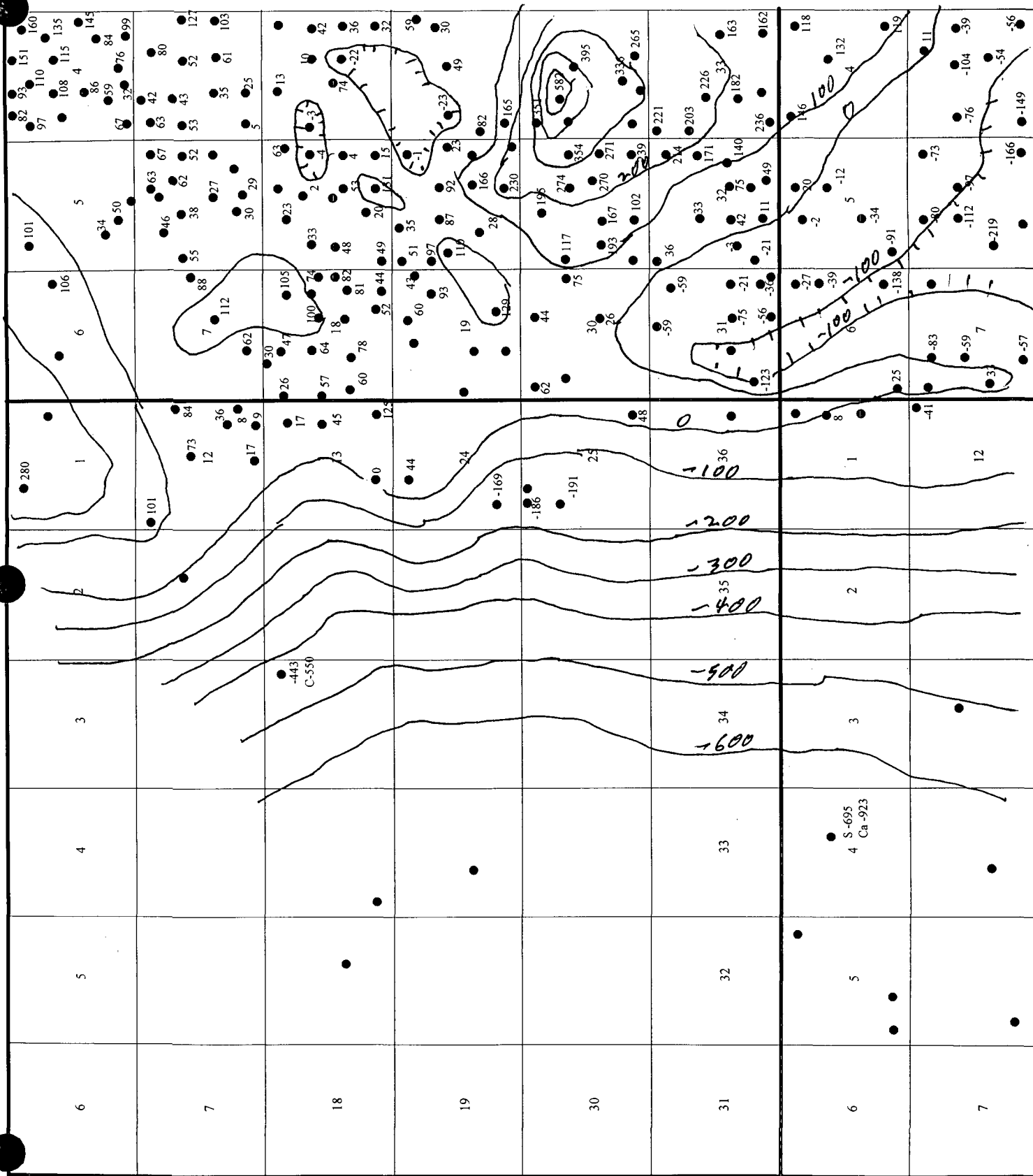
W

E



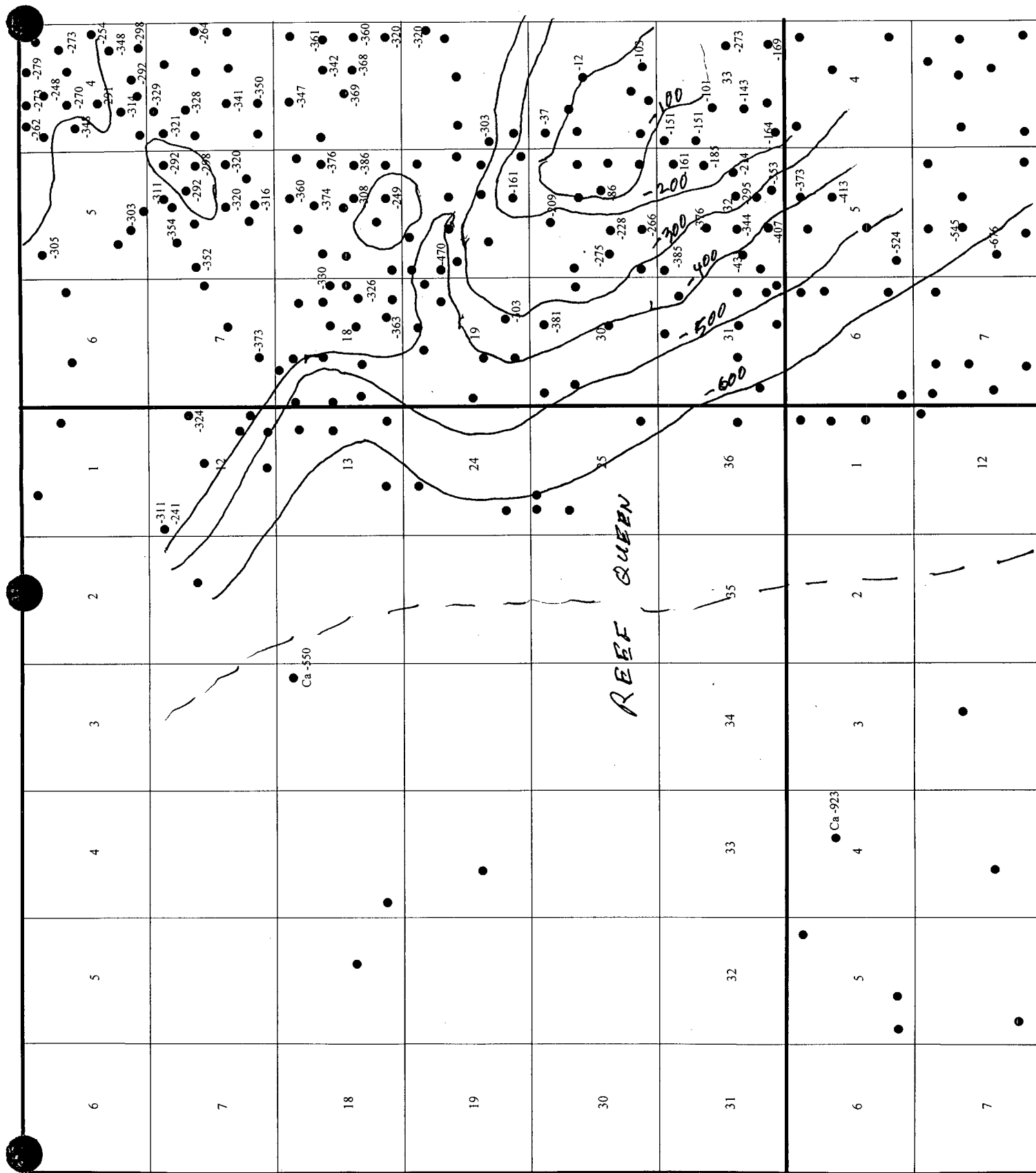
Schematic section





C.I. = 100'

Structure Top on Seven Rivers Formation



Structure Top of Queen

$$\text{C.I.} = 100'$$

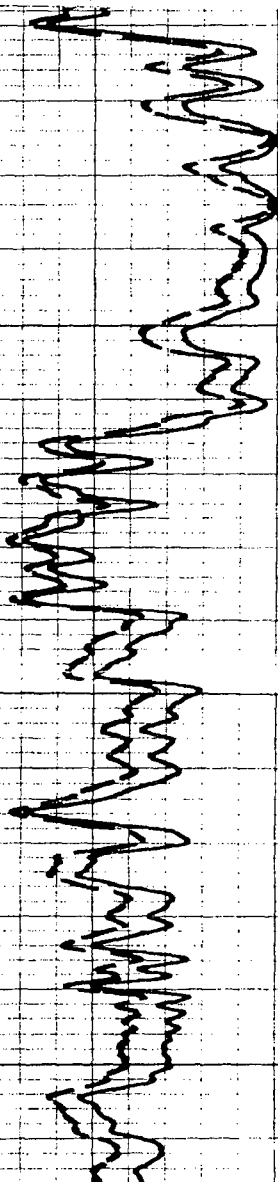
Schlumberger

NEUTRON LOG

WELL		COMPANY		LOCATION		Other Services:	
WELL		SHOLES B-25 #2		660' FNL & 1980' SEL			
FIELD		NMFU					
COUNTY		LEA		STATE New Mexico			
API SERIAL NO		SEC		TWP		RANGE	
		25		25-S		36-E	
Date:		GL		Elev: 3080		Elev: K.B. 3090	
Measured From		KB		10 ft. Above Perm. Datum		D.F. 3090	
Measured From		KB				G.L. 3080	
Filter		ONE					
Log (Schl.)		3087					
Interval		3082					
Driller		2579					
Logger		@					
d in Hole		WATER					
Visc							
Fluid Loss							
Sample							
Meas. Temp.		@					
Meas. Temp.		@					
Meas. Temp.		@					
Rmt Rmc		@					
BHT		@					
Position Stopped							
on Bottom							
Temp.		F					
Location		ON HIDE CH					
By							

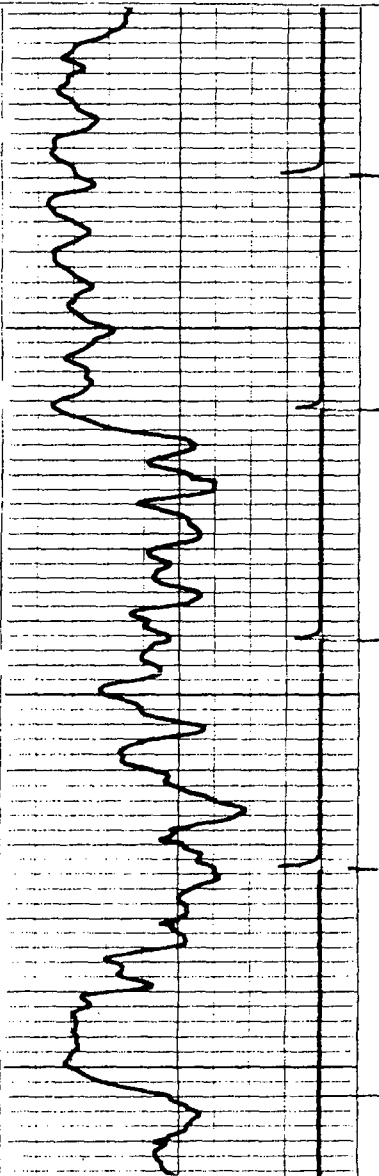
FOLD HERE

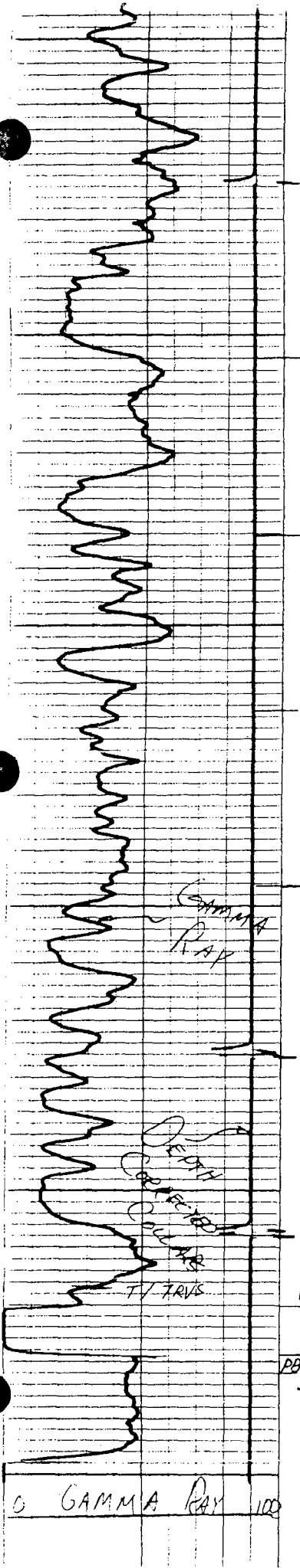
The well name, location and borehole reference data were furnished by the customer.



2800

2900





2900

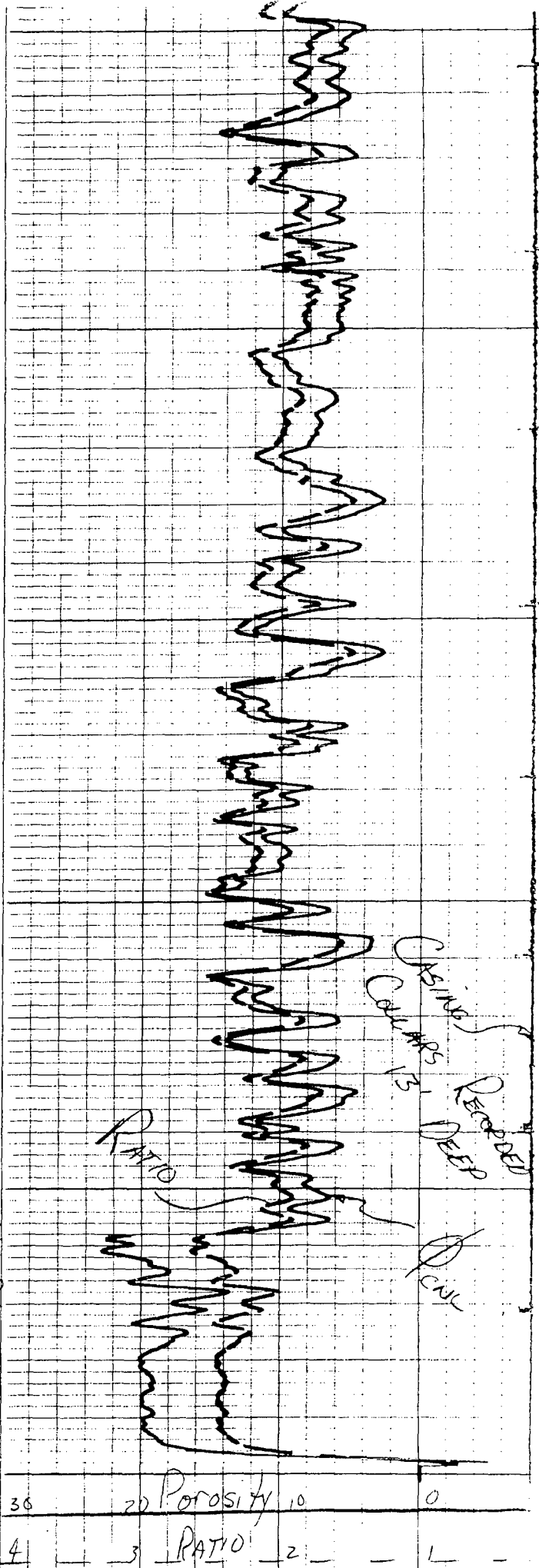
3000

3100

GAMMA RAY

DEPTH
FEET
T/ TRVS

FR GR
FR
PBT
3082



OCD - Hobbs

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or re-enter an abandoned well. Use Form 3160-3 (APP) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

5. Lease Serial No.
LC0325816

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Marale Shakes "B" No. 2

9. API Well No.
30-025-09806

10. Field and Pool, or Exploratory Area
Jalmut

11. County or Parish, State
La

SUBMIT IN TRIPLICATE - Other instructions on back of form

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

2. Name of Operator
Southwest Royalties, Inc.

3a. Address
P.O. Box 11390 Midland TX 79707

3b. Phone No. (include area code)
432-686-9927

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UTP, 640' FEASL Sec 25, T25S, R36E.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

MIRU WS. TOH & lay down injection Hg & pkr. RU WL.
TH & set CIBP 0 ± 2700'. Cap CIBPW 35' of conf.
Fill (sq w) treated wtr & test to 500 psig. TA well. RD
WS.

ACCEPTED FOR RECORD
SEP 30 2003
CARLSBAD, NEW MEXICO

2003 SEP 19 3:07 PM
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
RECEIVED
000

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
C.M. Bloodworth, P.E.

Title
Area Supervisor

Signature
[Signature]

Date
08/18/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

(Instructions on reverse)

GW

Well History
Page 1

OCD - Hobbs

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

2. Name of Operator
Southwest Regalins, Inc.

3a. Address
P.O. Box 11390 Midland TX 79702

3b. Phone No. (include area code)
432-686-9927

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & EL
WTP, Sec 25, T25S, R34E

5. Lease Serial No.
LC 0325B1-(b)

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Shales B No 2

9. API Well No.
30-025-09806

10. Field and Pool, or Exploratory Area
Jalmat

11. County or Parish, State
Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

8/20-8/22/03 MIRU WS. TO H & lay down flg & PKR. RU WH.
TIH & set CIRBP @ 3055'. Capped CIRBP w/ 35' of cont. RD WL.
Secure well. RDWS.
9/5/03 RU pmp truck. load csq w/ treated wtr. Press to 540psig.
Hld OK (see attached chart). Released pressure. RD prep
truck. Well TH'd.

ACCEPTED FOR RECORD

SEP 30 2003

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

C.M. Bloodworth Jr.

CARLSBAD, NEW MEXICO

Title Area Supervisor

Signature

Date 09/11/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Manuel Wink*

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

(Instructions on reverse)

Tract I
Box 1980, Hobbs, NM 88241-1980
Tract II
Drawer DD, Artesia, NM 88211-0719
Tract III
XO Rio Brazos Rd., Aztec, NM 87410
Tract IV
Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address HAL J. RASMUSSEN OPERATING, INC. 310 WEST WALL, SUITE 906 MIDLAND, TX 79701		OGRID Number 009809
Change Property name from Sholes "B" CH EFFECTIVE 4-1-94		Reason for Filing Code
API Number 30 - 0 25-09805	Pool Name JALMAT TANSILL YATES SEVEN RIVERS	Pool Code 33820
Property Code 006350 14976	Property Name Maralo Sholes "B" No. 2	Well Number 2

10 Surface Location									
Tract or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
P	25	25S	36E		660	SOUTH	660	EAST	LEA

11 Bottom Hole Location									
Tract or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lee Code	Producing Method Code	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

1. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
022628	TEXAS NEW MEXICO PIPELINE COMPANY	1238610	0	
007057	EL PASO NATURAL GAS COMPANY Sid Richardson	1238630	G	

Produced Water

POD 1238650	<i>This well is used for a water supply well but it produces a little gas so it needs an allowable</i>	Perforations
Well Completion		Cement
Spud Date		
Hole Size		
Well Test Data		Choke Size
Date New Oil		Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Tyson Dunn</i>		Approved by: <i>Paul Kantz</i> Geologist	
Title: <i>PRODUCTION ENGINEER</i>		Title:	
Date: <i>4/15/94</i>		Approval Date: <i>8 1994</i>	
Phone: (915) 687-1664			
If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature: <i>Dorothea Owens</i>		Printed Name: <i>DOROTHEA OWENS, REGULATORY ANALYST</i>	
		Date: <i>APRIL 6, 1994</i>	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other instruction
verse side)

Form approved.
Budget Bureau No. 1004-1-1-1
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

LC 032581-(b)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals.)

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Sholes "B"

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Cooper - Jal

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

Sec. 25, 25-S, 36-E

12. COUNTY OR PARISH 13. STATE

Lea

NM

1. OIL WELL ☐ GAS WELL ☒ OTHER Water Source Well

2. NAME OF OPERATOR

Maralo, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 832, Midland, TX 79702

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

See also space 17 below.)

At surface

660' FSL & 660' FEL

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

3021 GL

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐

PULL OR ALTER CASING ☐

FRACTURE TREAT ☐

MULTIPLE COMPLETE ☐

SHOOT OR ACIDIZE ☐

ABANDON* ☐

REPAIR WELL ☐

CHANGE PLANS ☐

(Other) Convert to water source well X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐

REPAIRING WELL ☐

FRACTURE TREATMENT ☐

ALTERING CASING ☐

SHOOTING OR ACIDIZING ☐

ABANDONMENT* ☐

(Other) ☐

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Well has reached its economic limit. The last test was 1/2 BO; 20 BW and 30 MCF gas.
We propose to convert to water source well for Jalmat Waterflood Unit.

Proposed Operation

1. RUPU cement squeeze Yates perforations 2733 - 2824'. WOC. Pull equipment. Clean out to T. D. Deepen approximately 50'.
2. Set RTTS @ 2830' and acid treat open hole w/2500 gals 15% HCl acid.
3. Run Centrilift Variable Speed 125 HP series 544 submersible pump.
4. Lay water line and pump water to Jalmat Unit.

RECEIVED

MAY 16 1986

HOBBS, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED

Brenda Coffman

TITLE Agent

DATE

5/15/86

(This space for Federal or State office use)

APPROVED BY

David Adams

TITLE

DATE

6-19-86

CONDITIONS OF APPROVAL, IF ANY:

Subject to
Like Approval
by State

*See Instructions on Reverse Side

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(Not
Instructions
Reverse Side)Form approved,
Budget Bureau No. 42-R355.6.

5. LEASE DESIGNATION AND SERIAL NO.

LC 032581 (b)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Sholes B

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Salinas
Cooper-Jal11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Sec. 25, 25S, 36E

12. COUNTY OR
PARISH

Lea

13. STATE

N.M.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐

b. TYPE OF COMPLETION:

NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☒ DIFF. RESVR. ☒ Other ☐

2. NAME OF OPERATOR

Maralo, Inc.

3. ADDRESS OF OPERATOR

P. O. Box 832, Midland, Texas 79702

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

At surface 660' FSL & 660' FEL

At top prod. interval reported below

660' FSL & 660' FEL

At total depth

same

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

16. DATE T.D. REACHED

17. DATE COMPL. (Ready to prod.)

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

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

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

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

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

2733 - 2824' Upper Yates

25. WAS DIRECTIONAL
SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4"		410'		150 SX	
7"		2935'		150 SX	

ACCEPTED FOR RECORD

PETER W. CHESLER

JUN 28 1982

U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	2800	

31. PERFORATION RECORD (Interval, size and number)

4" cased gun w/1 JSPF from 2733' to 2824'
(30 shots)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2733' - 2824'	2000 gals 15% HCl acid

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11-7-81		2" x 1½" x 12' pump				producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-9-81	24		→	5	105	5	210
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→				25.9	

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

Sold - El Paso Natural Gas Company

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED Brenda Ciffman TITLE Agent

DATE 5-10-82

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

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
N. M. CIVIL CONSERVATION COMMISSION
P. O. BOX 1980
HOBBS, NEW MEXICO 88240

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

LC 032581 (b)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Sholes B

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Gallop
Cooper-Jai

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

Sec. 25, 25S, 36E

12. COUNTY OR PARISH

Lea

13. STATE
New Mexico

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Maralo, Inc.

3. ADDRESS OF OPERATOR

P. O. Box 832, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface

660' FSL and 660' FEL

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, HT, GR, etc.)

3021 GL

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐
☐
☐
☐
☐

PULL OR ALTER CASING

☐
☐
☐
☐
☐

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐
☐
☐
☐
☐

REPAIRING WELL

☐
☐
☐
☐
☐

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

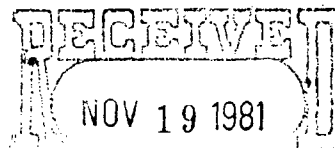
(Other) Plug back & re-perf

X

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

10-20-81 - Squeezed perfs 2871 to 2910 w/75 sx Class C 3% Halad 4 + 75 sacks Class C 5#/ sack flocele 2% CaCl₂. Squeezed @ 2000#'s. Pressured tubing to 1000 psi and casing to 500 psi - held ok. WOC 12 hours.
10-21-81 - Tagged top cement @ 2832' (New PBTD). Spotted 150 gals 15% HCl from 2822-2734'. Perf'd Upper Yates gas sands w/4" cased gun w/1 JSPF @:2733; 2734;2735;2736;2742;2746;2747; 2748;2754;2755;2772;2773;2778;2779;2780;2785;2786;2791;2811;2812;2813;2814;2817;2818;2819; 2820;2821;2822;2823;& 2824': (30 holes). Set packer @ 2673'. Pressured annulus to 500 psi - held ok. Acidized w/1800 gals of 15% acid. Dropped 4 ball sealers after each 250 gals acid.
10-23-81 - Sand frac'd Upper Yates perfs 2733-2824' (30 holes) w/20,000 gal gelled fresh water & 200 sx 20-40 mesh sand & 100 sx 10-20 mesh sand in two stages.
10-31-81 - Ran 2" x 1 1/2" x 12' pump on 110 - 3/4" rods.
11-9-81 - Put well on production.



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWell, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED

Brenda Coffman

TITLE

Production Clerk

DATE

11-11-81

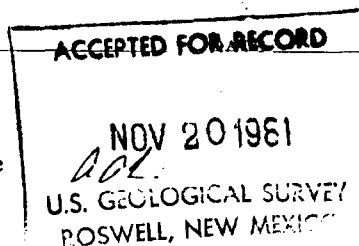
(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



**WEST TEXAS OIL REPORTS
AND ENGINEERING SERVICE**

TELEPHONE MU 4-6381 — P. O. BOX 953

401 WILKINSON-FOSTER BUILDING

MIDLAND, TEXAS

LAMAR ESCHBERGER

REGISTERED PROFESSIONAL ENGINEER

EVERETT L. SMITH

REGISTERED PROFESSIONAL ENGINEER

March 22, 1962

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: application for Non-Standard
Gas Proration Unit in Jalmat
Pool, Lea County, New Mexico


Gentlemen:

Please consider this letter a formal application by Ralph Lowe for a 160-acre Non-Standard Gas Proration Unit for his Sholes "B" 2 well located in the Jalmat Pool, 660 feet from the South and East lines of Section 25, Township 25S, Range 36E, Lea County, New Mexico.

The Sholes "B" 2 was originally completed on August 25, 1947, as an oil well in the lower Yates dolomite. As the result of being flooded out by water due to natural causes, the well is no longer capable of producing oil. However, a sand section behind the casing, but still in the lower Yates formation, is capable of commercial dry gas production.

Since the sand section exists throughout the entire Sholes "B" Lease and is productive, it is requested that Sholes "B" 2 be assigned the 160 acres outlined in red on the attached plat for gas well proration purposes.

Yours truly,


Archie A. Farr
Petroleum Engineer

APP:jvb

Attachment

cc: Oil Conservation Commission (2)
P. O. Box 2045
Hobbs, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

(Form C-104)
Revised 7/1/57

REQUEST FOR (OIL) - (GAS) ALLOWABLE

New Well
Recompletion

This form shall be submitted by the operator before an initial allowable will be assigned to any completed Oil or Gas well. Form C-104 is to be submitted in QUADRUPLICATE to the same District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 A.M. on date of completion or recompletion, 1962 APR 26 AM 7:26. The allowable month of completion or recompletion. The completion date shall be that date in the case of an oil well when new oil is delivered into the stock tanks. Gas must be reported on 15.025 psia at 60° Fahrenheit.

Midland, Texas

4/27/62

(Place)

(Date)

WE ARE HEREBY REQUESTING AN ALLOWABLE FOR A WELL KNOWN AS:

Ralph Lowe

Sholes "B" -25

Well No. 2

SE

SE

(Company or Operator)

(Lease)

P

Sec. 25

T. 25-S

R. 36-E

NMPM,

Jalmat

Pool

Unit Letter

Lea

County. Date Spudded 5/25/47

Date Drilling Completed

6/25/47

Please indicate location:

Elevation 3021

Total Depth

2955

PBTD

2915

Top Oil/Gas Pay 2871

Name of Prod. Form.

Yates

PRODUCING INTERVAL -

Perforations 2871-75; 2880-82; 2884-94; 2902-10

Open Hole

Casing Shoe

2918

Depth

Tubing 2840

OIL WELL TEST -

Natural Prod. Test: bbls. oil, bbls water in hrs, min. Size

Test After Acid or Fracture Treatment (after recovery of volume of oil equal to volume of load oil used): bbls. oil, bbls water in hrs, min. Size

GAS WELL TEST -

Natural Prod. Test: MCF/Day; Hours flowed Choke Size

Method of Testing (pitot, back pressure, etc.):

Test After Acid or Fracture Treatment: 780 MCF/Day; Hours flowed 24

Choke Size 1/2 Method of Testing: Orifice meter

Acid or Fracture Treatment (Give amounts of materials used, such as acid, water, oil, and sand): acidized 1000 gal. 10/9/61

Casing Tubing Date first new
Press. Pkr. 165 oil run to tanks

Oil Transporter None

Gas Transporter El Paso Natural Gas Company

Remarks: Well plugged back from oil zone @ 2950-55 to gas zone shown above.

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

Approved: , 19.

Ralph Lowe

(Company or Operator)

OIL CONSERVATION COMMISSION

By: [Signature]

(Signature)

Title Agent

Send Communications regarding well to:

Name Ralph Lowe

Address Box 832, Midland, Texas

By: [Signature]

Title

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Indicate nature of notice by checking below:

NOTICE OF INTENTION TO TEST CASING SHUT-OFF	<input checked="" type="checkbox"/>	NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL	
NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING	
NOTICE OF INTENTION TO REPAIR WELL		NOTICE OF INTENTION TO PLUG WELL	
NOTICE OF INTENTION TO DEEPEN WELL			

Midland, Texas

June 30, 1947

Place

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Gentlemen:

Following is a notice of intention to do certain work as described below at the

Ralph Lowe Sholes Well No. 2 in SE of SE
Company or Operator Lease
of Sec. 25, T. 25, R. 36, N. M. P. M., Jal Field,
Lea County.

FULL DETAILS OF PROPOSED PLAN OF WORK

FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS OF THE COMMISSION

Set 410 feet of 10 3/4" casing - cemented with 150 sacks

Set 1225 feet of 8 5/8" casing - mudded in

Set 2935 feet of 7" casing - cemented with 150 sacks

Approved _____, 19____
except as follows:

Ralph Lowe

Company or Operator

By Ralph LowePosition Agent

Send communications regarding well to

Name Ralph LoweAddress Box 832Midland, Texas

OIL CONSERVATION COMMISSION,

By _____

Title _____



ARDINAL LABORATORIES

PHONE (915) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88240
FAX TO:

Receiving Date: 03/08/00
Reporting Date: 03/14/00
Project Owner: Fulfer
Project Name: Brown SWD
Project Location: JAL, NM

Sampling Date: 03/08/00
Sample Type: PRODUCED WATER
Sample Condition: COOL 7 INTACT
Sample Received By: BC
Analyzed By: AH

LAB NUMBER	SAMPLE ID	P-Alkalinity (mg/L)	T-Alkalinity (mg/L)	Hardness (mg/L)	Chloride (mg/L)	Sulfates (mg/L)	pH (s.u.)
ANALYSIS DATE		03/13/00	03/13/00	03/13/00	03/13/00	03/13/00	03/13/00
H4702-1	7 RIVERS	0	144	3650	8460	3080	7.41
H4702-2	QUEEN	0	820	1550	5640	529	7.20
H4702-3	DEVONIAN	0	1500	15400	20700	10600	7.55
H4702-4	LM	0	710	11500	38500	2340	6.93
Quality Control		NR	NR	53	958	50.5	6.99
True Value QC		NR	NR	50	1000	50.0	7.00
% Recovery		NR	NR	106	96	101	100
Relative Percent Difference		NR	NR	7.5	4.0	0.2	0.4
METHODS:	EPA 600/4-79-02	-	-	130.2	325.3	375.4	150.1
	Standard Method	2320 B	2320 B	-	-	-	-

LAB NUMBER	SAMPLE ID	Hydroxides (mg/L)	Carbonates (mg/L)	Bicarbonates (mg/L)	Conductivity (u mhos/cm)	TDS (mg/L)
ANALYSIS DATE		03/13/00	03/13/00	03/13/00	03/13/00	03/13/00
H4702-1	7 RIVERS	0	0	177	14300	8200
H4702-2	QUEEN	0	0	1000	10300	5000
H4702-3	DEVONIAN	0	0	1830	48400	42800
H4702-4	LM	0	0	866	98000	75000
Quality Control		NR	NR	971	1392	NR
True Value QC		NR	NR	1000	1413	NR
% Recovery		NR	NR	97	99	NR
Relative Percent Difference		NR	NR	-	0.2	NR
METHODS:	EPA 600/4-79-02	-	-	-	120.1	160.1
	Standard Method	2320 B	2320 B	2320 B	-	-

Gayle Potter, Chemist

Date

03/14/2000

PLEASE NOTE: Cardinal Laboratories and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (575) 392-6949

Receiving Date: 05/07/08
Reporting Date: 05/09/08
Project Owner: G. FULFER
Project Name: FULFER OIL - SWD
Project Location: JAL, NM

Sampling Date: 05/07/08
Sample Type: GROUNDWATER
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM/KS

LAB NUMBER SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:	05/09/08	05/09/08	05/09/08	05/07/08	05/07/08	05/07/08
H14760-1 FOS - WW #1	150	42	35	8.78	988	296
Quality Control	NR	52.9	48.6	2.57	1,410	NR
True Value QC	NR	50.0	50.0	3.00	1,413	NR
% Recovery	NR	106	97.2	85.7	99.8	NR
Relative Percent Difference	NR	3.1	7.7	4.0	0.1	NR

METHODS:	SM3500-Ca-D	3500-Mg E	8049	120.1	310.1
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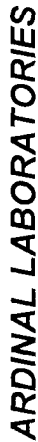
	Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	05/07/08	05/08/08	05/07/08	05/07/08	05/07/08	05/06/08
H14760-1 FOS - WW #1	60	197	0	361	7.57	620
Quality Control	500	42.6	NR	988	7.05	NR
True Value QC	500	40.0	NR	1000	7.00	NR
% Recovery	100	106	NR	98.8	101	NR
Relative Percent Difference	4.1	5.2	NR	1.2	< 0.1	NR

METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1
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Chemist

05-12-08
Date

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. **H14760 E. SEAY** shall be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



(505) 393-2326 Fax (505) 393-2476

Page ____ of ____

Company Name: Eddie Seay Consulting		BILL TO		ANALYSIS REQUEST									
Project Manager: Eddie Seay		P.O. #:											
Address: 601 W Illinois		Company: SAME											
City: Urbana		Attn: Jan											
Phone #: 2-2236		Address:											
Project #: Fulfill Oil		City:											
Project Name: Fulfill 911 - SWD		State:											
Project Location: SW NM		Zip:											
Sampler Name: Eddie Seay		Phone #:											
Fax #:		Fax #:											

FOR LAB USE ONLY		PRESERV		SAMPLING		DATE		TIME												
Lab I.D. H14760-1 FOS-WW #1		# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:										
		✓							✓											

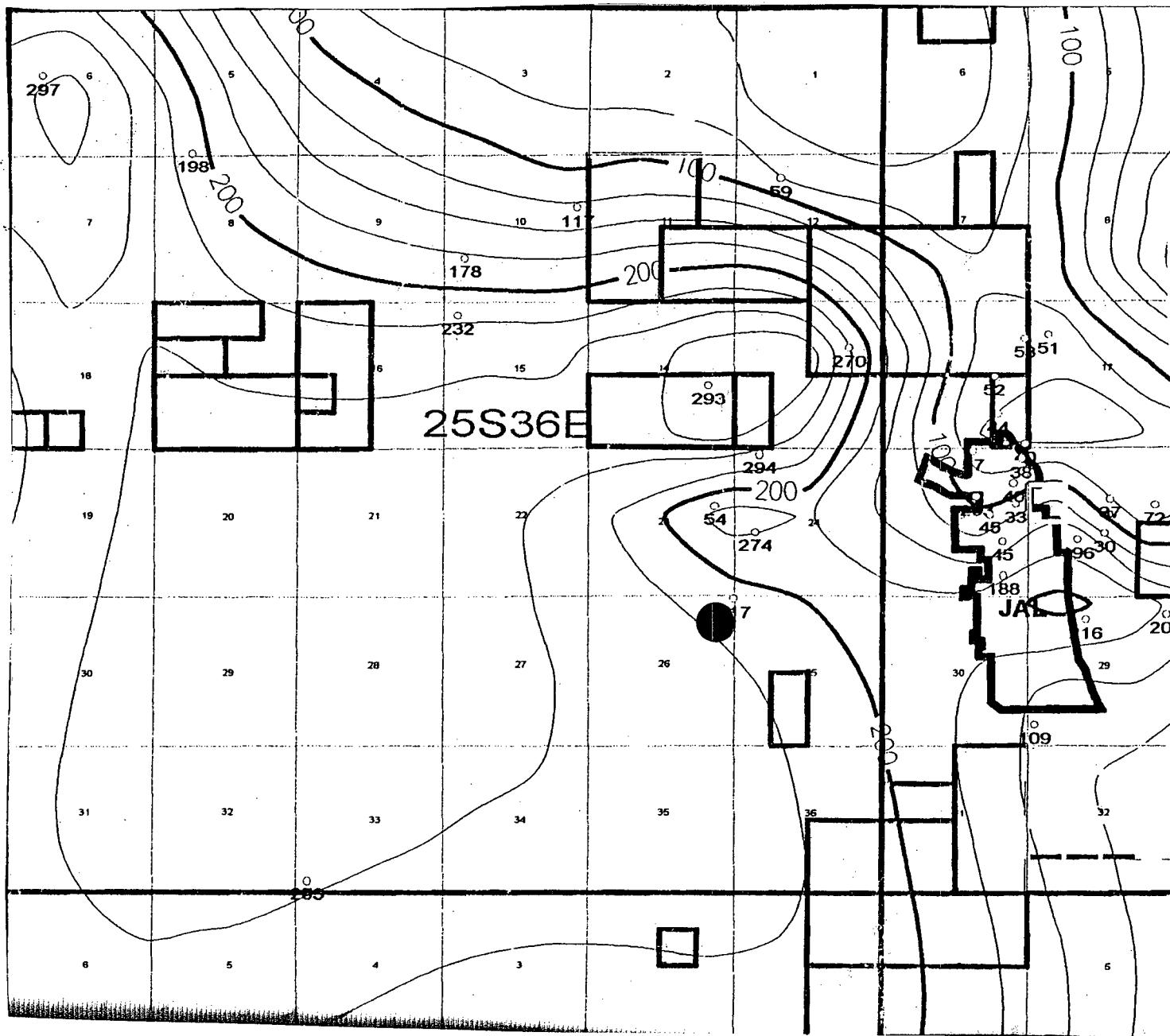
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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: Eddie Seay	Date: 9/7	Received By: -1	Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone #:	Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax #:	REMARKS:
Relinquished By:	Date: 11:30	Received By: City de But			

Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Temp.	Sample Condition Cool <input type="checkbox"/> Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	Checked By: (Initials) MSB
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† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



Groundwater

FULFER OIL & CATTLE LLC

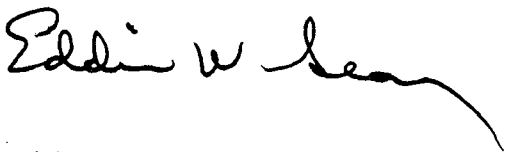
RE: Maralo Sholes B #2
Unit P, Sect.25, T. 25 S., R. 36 E.
API #30-025-09806

Dear Sir:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject in to the above captioned well.

Any questions about the permit can be directed to Eddie W. Seay, (575)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank you,



Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

LEASE OWNERS AND OFFSETS

LAND OWNER:

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

OFFSETS:

Southwest Royalties Inc.
6 Desta Drive, Suite 2100
Midland, TX 79705

7007 2560 0000 4575 3124

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
MIDLAND TX 79705	
OFFICIAL USE	
Postage	\$ 1.17
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.07

0640 NM 89240
Postmark Here
MAY 12 2008
05/12/2008 PS

Sent to **Southwest Royalties Inc.**
Street, Apt. or P.O. Box **620 E. Greene St.**
City, State, ZIP+4 **Midland, TX 79705**

PS Form 3800, August 2006 See Reverse for Instructions

7007 2560 0000 4575 3131

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
CARLSBAD NM 88220	
OFFICIAL USE	
Postage	\$ 1.34
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.24

0640 NM 89240
11
Postmark Here
MAY 12 2008
05/12/2008 PS

Sent to **Bureau of Land Management**
Street, Apt. or P.O. Box **620 E. Greene St.**
City, State, ZIP+4 **Carlsbad, NM 88220**

PS Form 3800, August 2006 See Reverse for Instructions

LEGAL NOTICE

Fulfer Oil & Cattle LLC, P.O. Box 578, Jal, New Mexico 88252, has filed a form C-108, Application for Authorization to Inject, with the Oil Conservation Division seeking administrative approval to convert the Maralo Sholes B Well No. 2, API No. 30-025-09806, located 660 feet from the South line and 660 feet from the East line, Unit P, of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, to a commercial produced water disposal well. Injection of produced water originating from various formations and/or pools in Southeast New Mexico will be injected into the Lower Yates and Seven Rivers formations through the open hole interval from 2938' to 3055' through 3 1/2" plastic lined injection tubing installed in a packer set at approximately 2850'. The maximum injection rate is anticipated to be 5000 barrels of produced water per day at an initial maximum surface injection pressure of 500 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, NM 87504, within fifteen (15) days of the date of this publication. Additional information can be obtained by contacting Eddie W. Seay, (575)390-2454.

Affidavit of Publication

STATE OF NEW MEXICO)

) ss.

COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOV-**

INGTON LEADER and not in any supplement thereof, for

one (1) day, beginning with the issue of
May 10, 2008 and ending with the issue
of May 10, 2008.

And that the cost of publishing said notice is the sum of
\$32.24 which sum has been (Paid) as
Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 13th day of
May 2008

Debbie Schilling

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

LEGAL NOTICE

Fulfer Oil & Cattle LLC, P.O. Box 578, Jal, New Mexico 88252, has filed a form C-108, Application for Authorization to Inject, with the Oil Conservation Division seeking administrative approval to convert the Maralo Sholes B Well No. 2, API No. 30-025-09806, located 660 feet from the South line and 660 feet from the East line, Unit P, of Section 25, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, to a commercial produced

water disposal well. Injection of produced water originating from various formations and/or pools in Southeast New Mexico will be injected into the Lower Yates and Seven Rivers formations through the open hole interval from 2938' to 3055' through 3 1/2" plastic lined injection tubing installed in a packer set at approximately 2850'. The maximum injection rate is anticipated to be 5000 barrels of produced water per day at an initial maximum surface injection

pressure of 500 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, NM 87504, within fifteen (15) days of the date of this publication. Additional information can be obtained by contacting Eddie W. Seay, (575)390-2454. Published in the Lovington Leader May 10, 2008.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, May 05, 2008 2:41 PM
To: 'seay04@leaco.net' (FIRST)
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Kautz, Paul, EMNRD; Sanchez, Daniel J., EMNRD
Subject: SWD Application on behalf of Fulfer Oil & Cattle LLC: Maralo Sholes B #2 API No. 30-025-09806 Unit P Sec 25 T25S R36E Lea County

Hello Eddie:

The OCD received your application and after reviewing have the following questions and comments:

- 1) Rule 40 looks OK for Fulfer. ✓
- 2) AOR well 30-025-09812 reported transporting as late as 1996. The status of this well must be verified. Please ask SW Royalties whether this well is inactive with open perfs in the Yates/7Rivers or whether it has been TAed or P&Aed. If open in the injection interval and inactive, the well must be either TAed or P&Aed prior to injection. OK
- 3) Please attempt to find the nearest windmill or house water and get a recent analysis for our files. ✓
- 4) Within this general area there have been at least three wells permitted for injection and all of these have been into the Lower Yates Seven Rivers. ✓
- 5) Your application asks to inject into the Upper Yates abandoned Gas intervals, but is inconsistent with the geology write-up which mentions injection into the Lower Yates Seven Rivers.
- 6) There are two other operators in this general area with active Upper Yates gas wells: Cimarex Energy Co of Colorado and Inflow Petroleum Res. LP. These operators should also be noticed of your intention to inject into the Gas interval. OK, changed
- 7) Please send more evidence of the boundary of the Capitan Reef in this area and more discussion from a geologist about this. The map I am using shows this area to be within the Reef boundaries. Does Paul Kautz agree this well is 1-1/2 mile east of the Reef? Can you tell me which well's logs to look at to verify this? Is the reef present below the 7 rivers in this well but dipping upward to the West - so not a problem in the Upper Yates?

If you really intended to inject into the open hole in this well from 2938 to 3055 please send in revised paperwork showing this and revise the newspaper notice and notices to the BUM and to Southwest Royalties, Inc. Be sure and verify this interval was always oil bearing and not part of the Upper Yates Gas and not connected to the Reef.

The application as it is written to inject into the Upper Yates abandoned gas interval must be denied. You do have the option to present this at an examiner hearing. ✓

Let me know what you and Gregg Fulfer decide on this.

Regards,

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

They REFILED a new application into the Lower Yates / UPPER 7 RIVERS

5/5/2008

Injection Permit Checklist 2/8/07

SWD Order Number 1127 Dates: Division Approved _____ District Approved _____

Well Name/Num: Manda SHOLES "B" #2 Date Spudded: 6 LD

API Num: (30-) 025-09806 County: Law

Footages 660 FSL/660 FEL Sec 25 Tsp 25 S Rge 36 E

Operator Name: FULFER OIL & Cattle LLC Contact EDDIE W. Seay

Operator Address: PO Box 578, TAL, NM, 88252

Current Status of Well: TAED Planned Work: Commercial WWR Inj. Tubing Size: 3/2 @ 2850'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	13" 13 3/4	410'	150	
Intermediate	8 5/8	1225' MUDD in.		
Production	8" 7"	2935'	150	
Last DV Tool				
Open Hole/Liner				
Plug Back Depth		(2955' TD)	(Open Hole 3055' TD)	

Diagrams Included (Y/N): Before Conversion _____ After Conversion _____

Checks (Y/N): Well File Reviewed _____ ELogs in Imaging _____

Intervals	Depths	Formation	Producing (Yes/No)
<u>Salt/Potash</u>	<u>1180 to 2562'</u>	<u>1020'</u>	<u>1180'</u>
<u>Capitan Reef</u>	<u>Reef is 1.5 to 3 miles west</u>		
Cliff House, Etc:			
Formation Above	<u>2938</u>	<u>Lower 7 RVRS</u>	
Top Inj Interval	<u>2938</u>	<u>Upper 7 RVRS</u>	
Bottom Inj Interval	<u>2824 3055</u>	<u>Upper 7 RVRS</u>	
Formation Below	<u>2975</u>	<u>7 RVRS</u>	

OLD TALMAT 60 well

588 PSI Max. WHIP

Open Hole (Y/N)

Deviated Hole (Y/N)

Fresh Water: Depths: _____ Wells(Y/N) None Analysis Included (Y/N): _____ Affirmative Statement ✓

Salt Water Analysis: Injection Zone (Y/N/NA) _____ Disp Waters (Y/N/NA) _____ Types: _____

Notice: Newspaper(Y/N) ✓ Surface Owner BLM Mineral Owner(s) _____

Other Affected Parties: Southern Kayak

AOR/Repairs: NumActiveWells 2 Repairs? _____ Producing in Injection Interval in AOR NC

AOR Num of P&A Wells 8 Repairs? _____ Diagrams Included? ✓ RBDMS Updated (Y/N) ✓

Well Table Adequate (Y/N) _____ AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) ✓

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed ✓

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent Yes, new appl. Filed

Which P&A/analysis to be injected

Run CBL, Verify bottom PLUG or Set

Run INT Survey offshore

AOR Required Work: Send Structure Map

why does Geology write "upper 80' of 7 RVRS"?

Required Work to this Well: Nearest well or plastic house with well

Find out from SW Kayak about 30-025-09812

6/28/2007/8:22 AM

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SWD_Checklist.xls/List

NOTICE Cimrex Energy Co., IN Flow Rate, Res. LP

SHOULD BE PLUGGED OR TAED

UNIT P
OK
4140
Rule 40 = OK
2/55 = OK
FA = OK