

DATE IN 11/10/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 11/13/08	TYPE SWD	APP NO. PKVR0831843748
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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
 Print or Type Name

Eddie W Seay
 Signature

Agent
 Title

11/3/08
 Date

seay04@leaco.net
 e-mail Address

RECEIVED
 2008 NOV 10 PM 3 12

APPLICATION FOR AUTHORIZATION TO INJECT

PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: J.F. McAdams

ADDRESS: 1008 W. Broadway Hobbs, NM 88241

CONTACT PARTY: Tony McAdams PHONE: 575-872-2982

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 X 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: Eddie W. Seay DATE: 11-3-08

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: _____

JF Mc Adams

WELL NAME & NUMBER: Brooks Federal

WELL LOCATION: 660 2010/E

FOOTAGE LOCATION

WELLBORE SCHEMATIC

APRNUM 30-025-25172
 OPERATOR J.T. MCADAMS
 LEASER/OWNER/LESSOR FEDERAL
 SURF LOC. UIC. B. SEC. 18 TWN. 20S RNC. 31E
 TO 3034 PBD. 0007-776C 3511
 GL. 3511
 PERFS. 3075-3510
 SALT LAKE, YATES
 PERFS.
 POOL
 PERFS.

CASING RECORD		DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	1200	500 x 8 1/2	12 1/4	0' CIRC
PROD.	7	2707	500 x 8 1/2	8 3/4	0' CIRC
URT.	4 1/2	2608-3034	75 x 5 1/2	8 1/4	2508

4 1/2 LAR TOP @ 3047

Plastic lined along w/ pit set within 150' of parts

00075 30-10-3000

TO 3034

4 1/2 @ 3034
 TOC @ 3047

4 1/2 @ 3034
 TOC @ 3047

Caplin R (sat) 3220

PREPARED BY: EDDIE SEAY

UPDATED

102

Hole Size: 12 1/4 Casing Size: 10 3/4
Cemented with: 500 ss or ft³
Top of Cement: Surface Method Determined: circumferential

Intermediate Casing

Hole Size: 8 3/4 Casing Size: 7
Cemented with: 500 or ft³ sx.

Top of Cement: Surface Method Determined: circulated

Production Casing
Linear

Hole Size: 6 1/4 Casing Size: 4 1/2
Cemented with: 75 or ft³
Top of Cement: 2608 Method Determined: TS

Total Depth: 3034

Injection Interval

2800 feet to 3034

(Perforated or Open Hole; indicate which)

existing pages are 3010 to 3030

INJECTION WELL DATA SHEET

Tubing Size: 2" Lining Material: IPC
 Type of Packer: Baker Tension
 Packer Setting Depth: 2750 or within 100 ft. of top parts.
 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? oil and gas
2. Name of the Injection Formation: Yates
3. Name of Field or Pool (if applicable): Salt Yates Yates
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. NO
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
The upper most formation is the Salt at 2413
The lower most formation is the 7 Rivers at 3050

ATTACHMENT TO APPLICATION C-108

Brooks Federal #7
Unit B, Sect. 18, Tws. 20 S., Rng. 33 E.
API: 30-025-25172
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) 2" plastic coated tubing.
 - 4) Baker tension packer.
- B.
 - 1) Injection formation is the Yates.
 - 2) Injection interval 2800' to 3034'.
 - 3) Well was drilled as a producer.
 - 4) The next higher producing zone is the base of salt at approximately 2613'.
 - The next lower producing zone is the 7 Rivers at approximately 3050'.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

- VII.** McAdams proposes to re-complete the above listed well. Clean out well bore, and complete in cased hole through perforations from 3010' to 3030' and also added perfs as needed in the Yates. Run 2" plastic coated tubing with 4 1/2" packer and set at approximately 2910' or within 100 ft. of upper most perfs.

- 1) Plan to inject approximately 750 bpd of produced water from McAdams own operation and surrounding production.
- 2) Closed system.
- 3) Average injection pressure should be approximately 500# to 700# or whatever limit OCD allows.
- 4) Analysis attached, only produced water from formation in this area.
- 5) Water from offset production and surrounding area.

- VIII.** In the area of the proposed disposal area, the Yates and 7 Rivers formation overlies the Capitan Reef. The Yates formation ranges in thickness from 250 to 260 feet thick. The main pay for the Salt Lake; Yates Pool consists of fine grained sandstones in the middle and lower Yates formation. In the Salt Lake; Yates area the 7 Rivers formation ranges

in thickness from 150 to 200 feet thick. The 7 Rivers formation consists of fine to medium crystalline low permeability dolomites with interbedded sandstones. The 7 Rivers is productive in some of the interbedded sandstones in the upper 40 feet of the 7 Rivers. From 1 mile West of the disposal area, the 7 Rivers is approximately 200 feet thick and thins 2 miles East of the disposal area to approximately 100 feet thick over a high in the Capital Reef. Two miles South of the disposal area the 7 Rivers pinches out against the Reef.

There is no fresh water found for this area.

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.

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-25172	
FORM	DEPTH	OPERATOR: J F MCADAMS	
		LEASENAME: BROOKS FEDERAL	
		WELL NO. 7	
		SURF LOC: UL: B SEC: 18 TWN: 20S RNG: 33E	
		330 FNL 990 FWL	
		TD: 3034 PBD KB DF 3513	
		GL 3511	
POOL SALT LAKE; YATES		PERFS 3010-3030	
POOL		PERFS	
POOL		PERFS	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	1200	500 sxs	12 1/4	0' CIRC
PROD.	7	2707	500 sxs	8 3/4	0' CIRC
LNR1.	4 1/2	2608-3034	75 sxs	6 1/4	2608

FORM	DEPTH	DESCRIPTION
	1180	Rustler
	1260	Top Salt
	2613	Base Salt
	2793	Yates
	3050	7 Rvrs (est)
	3250	Capitan R (est)

COMPLETION SCHEMATIC					
FORM	DEPTH				
Rustler	1180				
Top Salt	1260				
Base Salt	2613				
Yates	2793				
7 Rvrs (est)	3050				
Capitan R (est)	3250				

APINUM:		30-025-25172			
OPERATOR:		J F MCADAMS			
LEASENAME:		BROOKS FEDERAL		WELL NO.	
SURF LOC:		UL:	B	SEC:	18
		TWN:	20S	RNG:	33E
		330 FNL		990 FWL	
TD		3034	PBD	KB	DF
				GL	3511
POOL		SALT LAKE; YATES		PERFS 3010-3030	
POOL				PERFS	
POOL				PERFS	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	1200	500 sxs	12 1/4	0' CIRC
PROD.	7	2707	500 sxs	8 3/4	0' CIRC
LNR1.	4 1/2	2608-3034	75 sxs	6 1/4	2608

10 3/4 @ 1200'
TOC 0'

4 1/2 LNR TOP @ 2608'

7 @ 2707'
TOC @ 0'

Plastic lined tbng w/ pkr set within 100' of perfs

PERFS 3010-3030

4 1/2 @ 3034'
TOC @ 2608'

TD 3034'

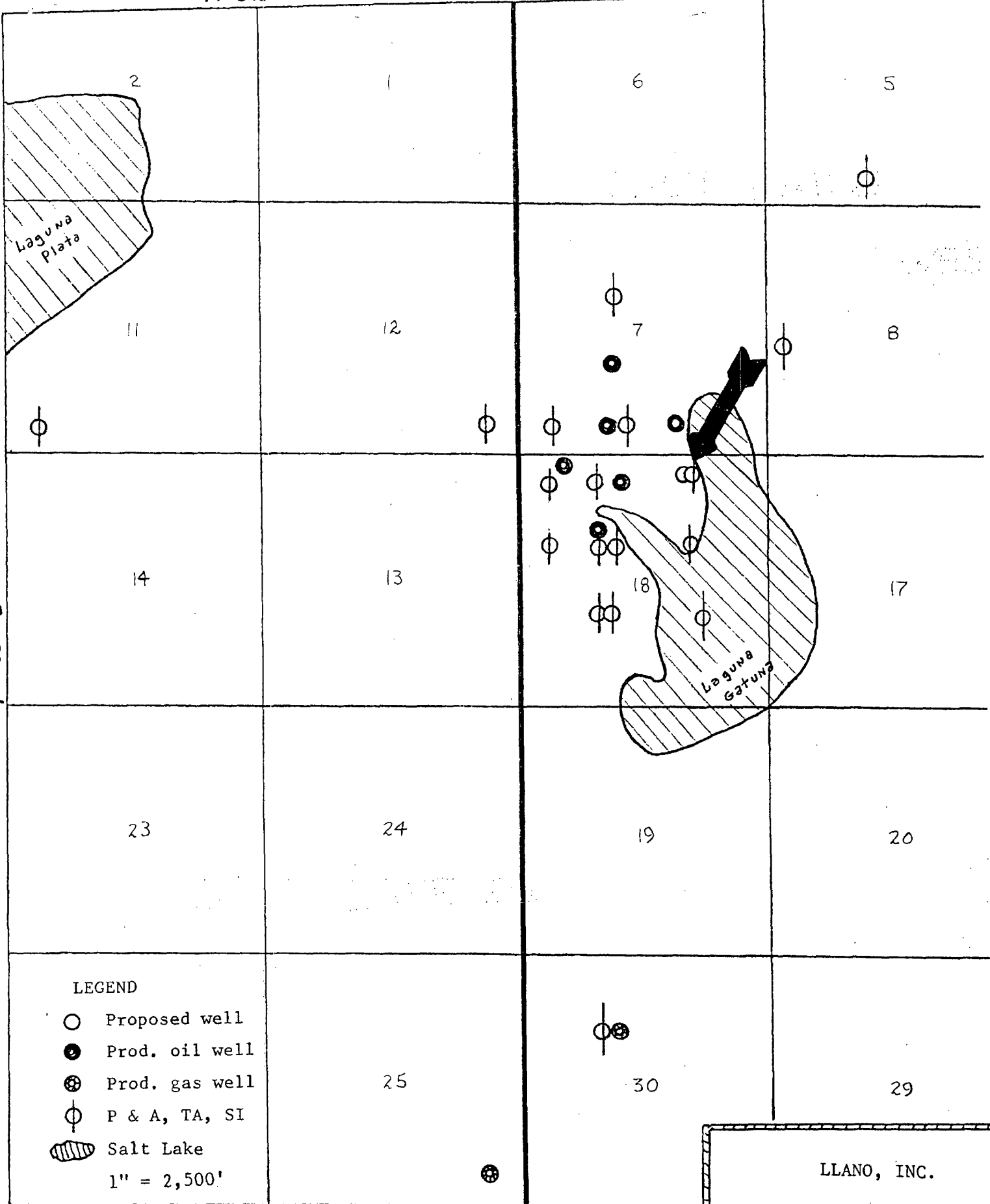
PREPARED BY:		EDDIE SEAY		UPDATED	
				10/24/08	

10/24/08

R 32 E

R 33 E

T-20-S



LEGEND

- Proposed well
- Prod. oil well
- ⊗ Prod. gas well
- ⊕ P & A, TA, SI
- ▨ Salt Lake

1" = 2,500'

LLANO, INC.

Smith Federal 18 Lease
Well Location Plat

Attachment 2

COUNTY	LEA	FIELD	Salt Lake	STATE	NM
OPR	LLANO, INC.	API	30-025-25172		
NO	7	LEASE	Brooks Federal	SERIAL	3-4-22 NM
Sec 18, T20S, R33E				MAP	
660' FNL, 2010' FEL of Sec				CO-ORD	
3 mi NE/Halfway				ELEV	
SPO	11-18-75	CMP	2-27-76	WELL CLASS:	D
CSG				INT.	FIN
			FORMATION	DATUM	FORMATION
			TD 3034' (YES)	PBD	3031'
IP (Yates) Perfs 3010-30' P 26 BOPD + 30 BW. Pot based on					
24 hr test. GOR TSTM; gty 28					

CONTR	Cortez	OPR'S ELEV	3511' GL, 3513' DF	PD	3120' CT
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F.R. 11-24-75
(Yates)

27-76 AMEND WELL NUMBER & LEASE NAME: Formerly reported
as #2 Smith "18" Federal

12-2-75 Drlg 630'

12-9-75 Drlg 950'

12-16-75 Drlg 1135'

1-7-76 Drlg 2285'

1-11-76 Drlg 2685'

1-21-76 Drlg 2875'

1-27-76 TD 3034'; SI

2-3-76 TD 3034'; PBD 3031'; Swbg
Perf (Yates) 3010-14', 3018-22', 3026-30' w/2 SPF

2-10-76 TD 3034'; PBD 3031'; RU Pmp
Acid (3010-30') 200 gals

2-17-76 TD 3034'; PBD 3031'; SI
Ppd 3-6 BO in 24 hrs (3010-30')

3-4-22 NM

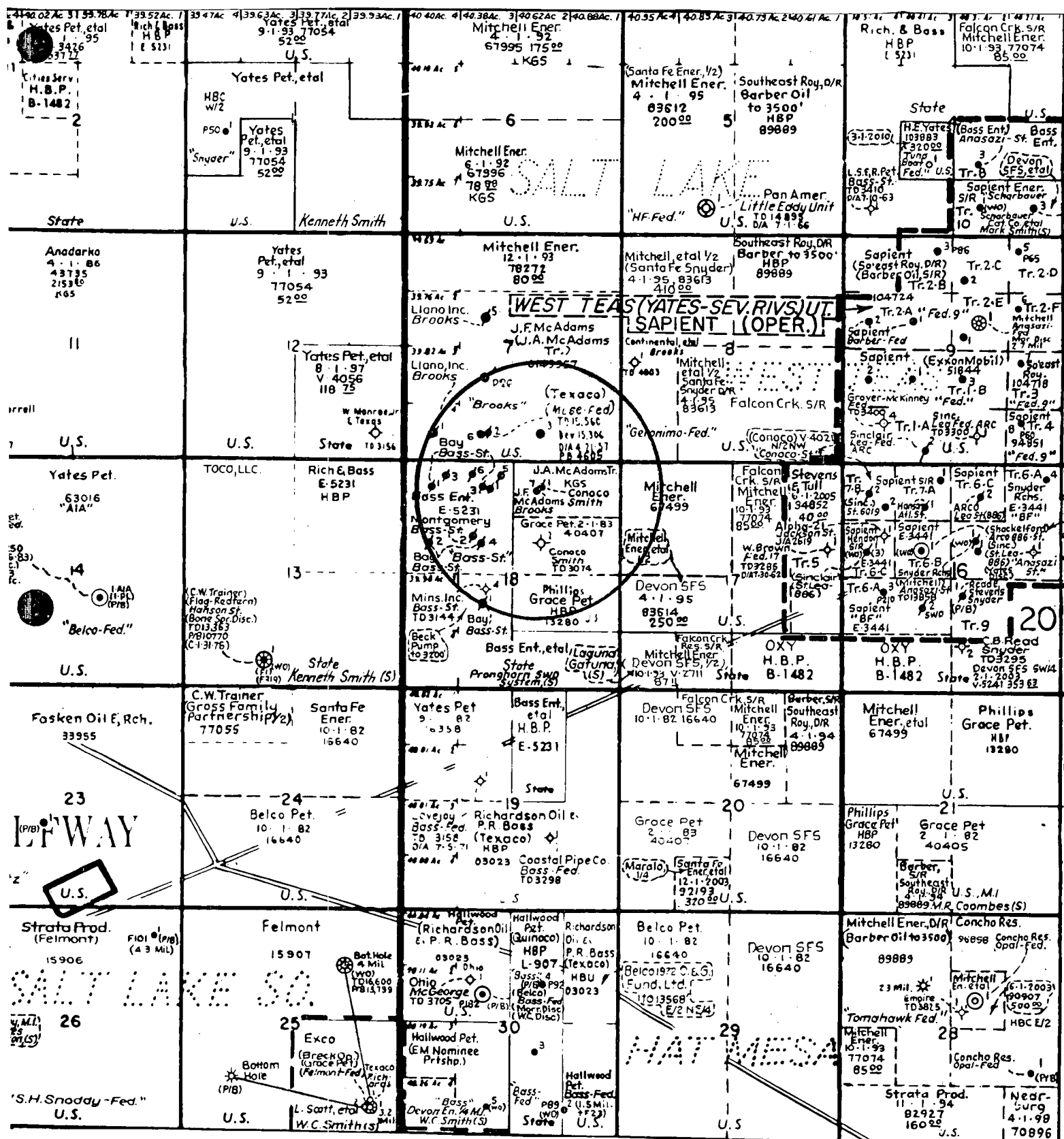
IEA
LLANO, INC.

Salt Lake
7 Brooks Federal
Sec 18, T20S, R33E

NM
Page #2

2-24-76 TD 3034'; PBD 3031'; SD Pmp Repairs
Acid (3010-30') 500 gals
3-1-76 TD 3034'; PBD 3031'; SI
3-8-76 TD 3034'; PBD 3031'; WO OCC Pot
Ppd 26 BO + 30 BW in 24 hrs (3010-30')
3-22-76 TD 3034'; PBD 3031'; Complete
LOG TOPS: Salt 1260', Base Salt 2613', Yates
2793'
3-27-76 COMPLETION ISSUED

3-4-22 NM



DISPOSAL WELL

30-025-25172	BROOKS FEDERAL	7 J F MCADAMS				LEA	B	18	20 S	33 E	660 N	2010 E
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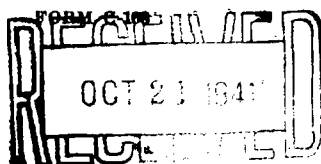
5280															5280		5280	
API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATUS	CO	LAND	U/L	SEC	TWN	RNG	N/S	E/W	Distance			
30-025-01710	BROOKS 7 FEDERAL	2	RANDALL F MONTGOMERY	3075		P&A	LEA	F	N	7	20 S	33 E	660 S	1980 W	1845			
30-025-01711	BROOKS FEDERAL	3	J F MCADAMS	3025			LEA	F	O	7	20 S	33 E	660 S	1980 E	1320			
30-025-01713	BROOKS FEDERAL	6	J F MCADAMS	15560			LEA	F	N	7	20 S	33 E	660 S	1926 W	1883			
30-025-01749	SMITH FEDERAL 18	1	LLANO INC	3034	O	P&A	LEA		B	18	20 S	33 E	660 N	1980 E	30			
30-025-01750	SMITH FEDERAL 18	2	PRE-ONGARD OPERATOR	3074	O	P&A	LEA		G	18	20 S	33 E	1980 N	1980 E	1320			
30-025-01751	WELCH STATE	1	BAY-NEWFOUNDLAND CO	3102	O	P&A	LEA		D	18	20 S	33 E	660 N	660 W	2610			
30-025-01753	WELCH STATE	3	BAY PETROLEUM CORP	3099	O	P&A	LEA		C	18	20 S	33 E	660 N	1980 W	1290			
30-025-12787	WELCH STATE	4	BAY PETROLEUM CORP	3079	O	P&A	LEA		F	18	20 S	33 E	1980 N	1980 W	1845			
30-025-20328	BASS STATE	1	MINERALS INC	3100	O	P&A	LEA		C	18	20 S	33 E	660 N	2080 W	1190			
30-025-20337	BASS STATE	2	MINERALS INC	3101	O	P&A	LEA		F	18	20 S	33 E	1700 N	1650 W	1925			
30-025-21293	BASS STATE	3	MINERALS INC	3120	O	P&A	LEA		O	18	20 S	33 E	330 N	990 W	2303			
30-025-21294	BASS STATE	4	MINERALS INC	3144	O	P&A	LEA		K	18	20 S	33 E	2310 S	1980 W	2645			
30-025-27903	BASS STATE	5	BEP CO, LP	3056	O	P&A	LEA		C	18	20 S	33 E	330 N	2310 W	1015			
30-025-28128	BASS STATE	6	BEP CO, LP	3079	O	P&A	LEA		C	18	20 S	33 E	330 N	1650 W	1653			

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-01753																																			
FORM	DEPTH	OPERATOR: BAY PETROLEUM CORP																																			
<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 10px;">PLUG 0-10'</div> <div style="margin-bottom: 10px;">PULL 8 5/8 @ 419'</div> <div style="margin-bottom: 10px;">TOC @1060 est</div> <div style="margin-bottom: 10px;">8 5/8 @ 1114' TOC @ 1060'</div> <div style="margin-bottom: 10px;">PULLED 7" @ 1154 PLUG 1152-1200</div> <div style="margin-bottom: 10px;">TOC @2892 est</div> <div style="margin-bottom: 10px;">7 @ 3031' TOC @ 2892'</div> <div style="margin-bottom: 10px;">PLUG 2980-3099'</div> <div style="margin-bottom: 10px;">TD 3099'</div> </div>		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">LEASENAME: WELCH STATE</td> <td colspan="2">WELL NO. 3</td> </tr> <tr> <td>SURF LOC:</td> <td>UL: C</td> <td>SEC: 18</td> <td>TWN: 20S</td> </tr> <tr> <td colspan="2">660 FNL</td> <td colspan="2">1980 FWL</td> </tr> <tr> <td>TD 3099</td> <td>PBD</td> <td>KB</td> <td>DF</td> </tr> <tr> <td colspan="2">GL</td> <td colspan="2"></td> </tr> <tr> <td colspan="2">POOL SALT LAKE; YATES</td> <td colspan="2">Open Hole 3031-3099</td> </tr> <tr> <td colspan="2">POOL</td> <td colspan="2">PERFS</td> </tr> <tr> <td colspan="2">POOL</td> <td colspan="2">PERFS</td> </tr> </table>				LEASENAME: WELCH STATE		WELL NO. 3		SURF LOC:	UL: C	SEC: 18	TWN: 20S	660 FNL		1980 FWL		TD 3099	PBD	KB	DF	GL				POOL SALT LAKE; YATES		Open Hole 3031-3099		POOL		PERFS		POOL		PERFS	
	LEASENAME: WELCH STATE		WELL NO. 3																																		
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Base Salt	2590																																				
Yates (est)	2770																																				
7 Rvrs (est)	3030																																				
Capitan R (est)	3250																																				

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	8 5/8	1114	25 sxs	na	1060 est
INT1				na	
PROD.	7	1154-3031	50 sxs	na	2892 est

2700'
1" \downarrow ETCMT TOP



NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS



Submit this report in duplicate to the Oil Conservation Commission or its proper agent within ten days after the work specified is completed. It should be signed and sworn to before a notary public for reports on beginning drilling operations, results of shooting well, results of test of casing shut-off, result of plugging of well, and other important operations, even though the work was witnessed by an agent of the Commission. Reports on minor operations need not be signed and sworn to before a notary public. See additional instructions in the Rules and Regulations of the Commission.

Indicate nature of report by checking below:

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON REPAIRING WELL	
REPORT ON RESULT OF SHOOTING OR CHEMICAL TREATMENT OF WELL		REPORT ON PULLING OR OTHERWISE ALTERING CASING	
REPORT ON RESULT OF TEST OF CASING SHUT-OFF	X	REPORT ON DEEPENING WELL	
REPORT ON RESULT OF PLUGGING OF WELL			

Roswell, New Mexico

October 13, 1941

Place

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Gentlemen:

Following is a report on the work done and the results obtained under the heading noted above at the _____

Leonard Oil Company-Welch

Well No. 3 in the

Company or Operator

Lease

NE 1/4

of Sec. 18

T. 20S

R. 33E

N. M. P. M.

Salt Lake

Field,

Lea

County.

The dates of this work were as follows: _____

Notice of intention to do the work was ~~was not~~ submitted on Form C-102 on October 11 1941and approval of the proposed plan was ~~was not~~ obtained. (Cross out incorrect words.)

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Set 7" 20 lb. seamless at 3031

50 sacks cement used, work done by Halliburton Oil Well Cementing Co

Cement set 72 hours

Resulted in a complete shut-off

Witnessed by J. M. Owen Leonard Oil Company Lease Superintendent
Name Company Title

Subscribed and sworn to before e this _____

13th day of October, 1941

Blanche Vandewort
Notary Public

My Commission expires Dec. 11, 1943

I hereby swear or affirm that the information given above is true and correct.

Name *Harry Leonard*

Position President Leonard Oil Company

Representing Leonard Oil Company
Company or Operator

Address Roswell, N. M.

Remarks:

Roy Weather
OIL & GAS INSPECTOR
Title

COMPLETION SCHEMATIC	
FORM	DEPTH
Rustler	1080
Top Salt	1245
Base Salt	2645
Yates (est)	2790
7 Rvrs (est)	3045
Capitan R (est)	3250

PLUG 0-10'

PULL 8 5/8 @ 725'

TOC @1000 est

PULLED 7" @ 1153'

PLUG 1125-1175

TOC @2892 est

7 @ 2953'

TOC @ 2892'

PLUG 2840-3102'

TD 3079'

APINUM: 30-025-12787

OPERATOR: BAY PETROLEUM CORP

LEASENAME: WELCH STATE WELL NO. 4

SURF LOC: UL: F SEC: 18 TWN: 20S RNG: 33E

660 FNL 660 FWL

TD 3079 PBD KB DF GL

Open Hole 3031-3099

POOL SALT LAKE; YATES PERFS

POOL PERFS

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	8 5/8	1100 est	na	na	1000 est
INT1				na	
PROD.	7	2953	na	8	2892 est

or HIGHER

PREPARED BY: EDDIE SEAY ##### 01/25/08

#####

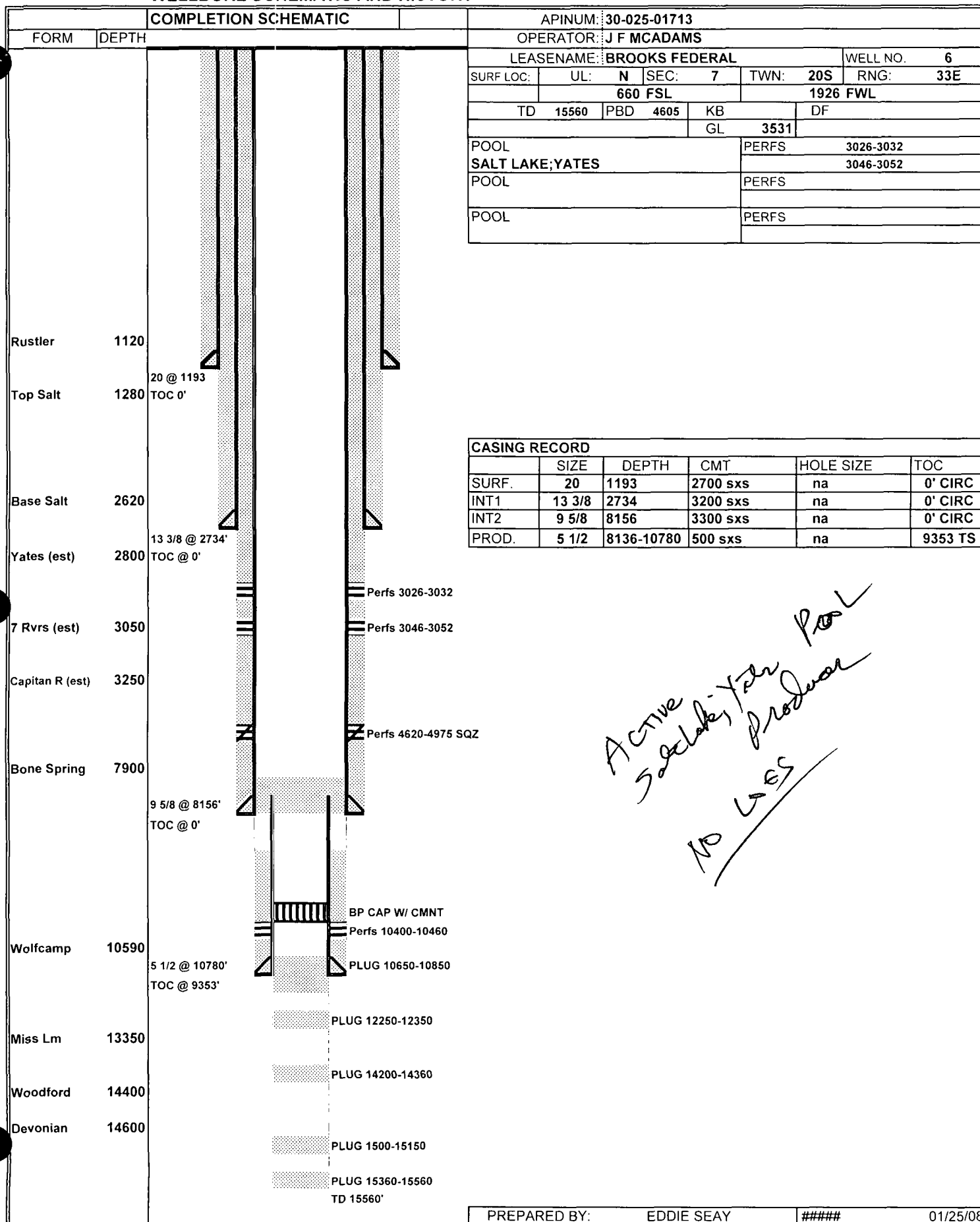
01/25/08

[illegible]

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01/25/08

WELLBORE SCHEMATIC AND HISTORY



WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-01749	
FORM	DEPTH	OPERATOR: LLANO INC	
		LEASENAME: SMITH FEDERAL 18	
		WELL NO. 1	
		SURF LOC: UL: B SEC: 18 TWN: 20S RNG: 33E	
		660 FNL 1980 FEL	
		TD 3034 PBD KB DF	
POOL SALT LAKE; YATES		Open Hole 2908-3034	
POOL		PERFS	
POOL		PERFS	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	617	Mudded in	na	na
INT1	8 5/8	540-1115	50 sxs	na	952 est
PROD.	5 1/2	900-2908	100 sxs	na	2588 est

PREPARED BY: EDDIE SEAY

#####

01/25/08

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-01751			
FORM	DEPTH	OPERATOR: BAY-NEWFOUNDLAND CO			
		LEASENAME: WELCH STATE			WELL NO. 3
		SURF LOC:	UL: D	SEC: 18	TWN: 20S
		660 FNL			RNG: 33E
		TD 3102	PBD	KB	DF
		GL			
		POOL SALT LAKE; YATES			Open Hole 2865-3102
		POOL			PERFS
		POOL			PERFS

CASING RECORD	
SIZE	DEPTH
9	1112
7	2865

CMT	HOLE SIZE	TOC
50 sxs	na	1000 est
na	na	2720 est

FORM	DEPTH
Rustler	1088
Top Salt	1245
Base Salt	2600
Yates (est)	2780
7 Rvrs (est)	3030
Capitan R (est)	3250

PLUG 0-10'

PULL 9 @ ???'

TOC @1000 est

PULLED 7" @ 1200
PLUG 1175-1225

TOC @2720 est

PLUG 2840-3102'

TD 3102'

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-01750	
FORM	DEPTH	OPERATOR: PRE-ONGARD OPERATOR	
		LEASENAME: SMITH FEDERAL 18	
		WELL NO. 2	
		SURF LOC:	UL: G SEC: 18 TWN: 20S RNG: 33E
		1980 FNL	
		1980 FEL	
		TD 3074	PBD 3050 KB DF
POOL		Open Hole na	
SALT LAKE; YATES		PERFS	
POOL		PERFS	
POOL		PERFS	
POOL		PERFS	

CASING RECORD							
	SIZE	DEPTH		CMT		HOLE SIZE	TOC
SURF.	na	na	na	na	na	na	na
INT1	na	na	na	na	na	na	na
PROD.	na	na	na	na	na	na	na

Rustler

Top Salt

Base Salt

Yates (est)

7 Rvrs (est) 3045

Capitan R (est) 3250

TD 3074'

OCD well file ONLINE consists of only one page and is partially illieagable Oil Conservation Scout Report. The only info readable is a completion in May 1942 and a total depth of 3074' with a PBD of 3050'. This well is 2640' or 1/2 mile from the Proposed Disposal Well.

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-01711	
FORM	DEPTH	OPERATOR: J F MCADAMS	
		LEASENAME: BROOKS FEDERAL	
		WELL NO. 3	
		SURF LOC:	UL: 0 SEC: 7 TWN: 20S RNG: 33E
		660 FSL 1980 FEL	
		TD 3025	PBD KB DF GL 3503
POOL SALT LAKE; YATES		Open Hole 2910-3025	
POOL		PERFS	
POOL		PERFS	

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	10 3/4	363	na	na	0' CIRC
INT1	8 5/8	357-1162	350 sxs	na	450 est
INT2	5 1/2	1171-2887	100 sxs	na	2560 est
PROD.	3 1/2	2910	780 sxs	na	0' Calc

Well was active - Record
not to 87

170/3036w
MATH

(1/2/10w/DAY)

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-20328				
FORM	DEPTH	OPERATOR: MINERALS INC				
		LEASENAME: BASS STATE		WELL NO. 1		
		SURF LOC:	UL: C	SEC: 18	TWN: 20S	RNG: 33E
		660 FNL		2080 FWL		
		TD 3100	PBD	KB	DF	
		GL 3525				
		POOL SALT LAKE; YATES		PERFS 3058-3072 SQZ		
		PERFS 2916-2981 SQZ				
		PERFS 3002-3018				
POOL		PERFS				

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	9 5/8	1130	410 sxs	12 1/4	0' CIRC
PROD.	7	2880	430 sxs	8 3/4	0' CIRC
LNR1.	4 1/2	2849-3100	35 sxs	6 1/8	2849

Rustler	1102	PLUG 0-2960' 500 sxs			
9 5/8	@ 1130'				
TOC @ 0'					
Top Salt	1200				
Base Salt	2630				
Yates	2788				
		7 @ 2880'	TOC @ 0'	PERFS 2916-2981 SQZ W/ CMNT	
		RTR @ 2960 SQZ W/ 50 sxs			
		PERFS 3002-3018			
7 Rvrs	3031				
		4 1/2 @ 3100'	TOC @ 2849'	PERFS 3058-3072 SQZ W/ CMNT	
		TD 3100'			
Capitan R (est)	3250				

PREPARED BY: EDDIE SEAY

UPDATED

10/24/08

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-20337																													
FORM	DEPTH	OPERATOR: MINERALS INC																													
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Rustler 1078</p> <p>Top Salt 1260</p> <p>Base Salt 2645</p> <p>Yates 2788</p> <p>7 Rvrs 3044</p> <p>Capitan R (est) 3250</p> </div> <div style="width: 45%;"> <p>50 sxs Plug</p> <p>200 sxs plug</p> <p>250 sxs Plug</p> <p>4 1/2 LNR TOP @ 2650'</p> <p>RTNR SET @ 2883 cap w/ 10 sxs</p> <p>50 SXS cmnt below rtnr</p> <p>PERFS 2924-3009</p> <p>PERFS 3010-3030</p> <p>TD 3101'</p> </div> </div>		LEASENAME: BASS STATE																													
		WELL NO. 2																													
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">SURF LOC:</td> <td style="width: 15%;">UL: F</td> <td style="width: 15%;">SEC: 18</td> <td style="width: 15%;">TWN: 20S</td> <td style="width: 15%;">RNG: 33E</td> </tr> <tr> <td colspan="3" style="text-align: center;">1700 FNL</td> <td colspan="2" style="text-align: center;">1650 FWL</td> </tr> <tr> <td colspan="2">TD 3101</td> <td>PBD</td> <td>KB</td> <td>DF</td> </tr> <tr> <td colspan="2"></td> <td>GL</td> <td colspan="2"></td> </tr> </table>		SURF LOC:	UL: F	SEC: 18	TWN: 20S	RNG: 33E	1700 FNL			1650 FWL		TD 3101		PBD	KB	DF			GL										
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		TD 3101		PBD	KB	DF																									
		GL																													
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LNR1.	4 1/2	2650-3101	35 sxs	6 1/4	2650																										
<p>9 5/8 @ 1095'</p> <p>TOC 0'</p> <p>7 @ 2723'</p> <p>TOC @ 0'</p> <p>4 1/2 @ 3101'</p> <p>TOC @ 2650'</p>																															

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-21293																															
FORM	DEPTH	OPERATOR: MINERALS INC																															
		LEASENAME: BASS STATE																															
		WELL NO. 3																															
		SURF LOC: UL: D SEC: 18 TWN: 20S RNG: 33E																															
		330 FNL 990 FWL																															
		TD 3120 PBD KB 3533 DF																															
		GL																															
POOL SALT LAKE; YATES		PERFS 3096-3112 PERFS 3032-3065 PERFS 2946-3019																															
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Rustler	1108	PLUG 0-283' 500 sxs																															
Top Salt	1180	9 5/8 @ 1119' TOC 0'																															
Base Salt	2590	4 1/2 LNR TOP @ 2720																															
Yates	2818	7 @ 2749' TOC @ 0'																															
		RTR @ 2883 SQZ W/ 50 sxs																															
		PERFS 2946-3019																															
		RTR @ 2960 SQZ W/ 50 sxs																															
		PERFS 3032-3065																															
7 Rvrs	3069	PERFS 3096-3112																															
		4 1/2 @ 3120' TOC @ 2720'																															
Capitan R (est)	3250	TD 3120'																															

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-21294																																	
FORM	DEPTH	OPERATOR: MINERALS INC																																	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Rustler 1109</p> <p>Top Salt 1300</p> <p>Base Salt 2685</p> <p>Yates 2822</p> <p>7 Rvrs 3092</p> <p>Capitan R (est) 3250</p> </div> <div style="width: 45%;"> <p>50 sxs Plug</p> <p>200 sxs plug</p> <p>250 sxs Plug</p> <p>RTNR SET @ 3007 cap w/ 10 sxs</p> <p>50 SXS cmnt below rtnr</p> <p>TD 3144'</p> </div> </div>	<p>9 5/8 @ 1125'</p> <p>TOC 0'</p> <p>7 @ 2780'</p> <p>TOC @ 0'</p> <p>4 1/2 @ 3144'</p> <p>TOC @ 2721'</p>	<p>LEASENAME: BASS STATE</p> <p>WELL NO. 4</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">SURF LOC:</td> <td style="width: 25%;">UL: K</td> <td style="width: 25%;">SEC: 18</td> <td style="width: 25%;">TWN: 20S</td> </tr> <tr> <td colspan="2">RNG: 33E</td> <td colspan="2"></td> </tr> <tr> <td colspan="2" style="text-align: center;">2310 FSL</td> <td colspan="2" style="text-align: center;">1980 FWL</td> </tr> <tr> <td>TD 3144</td> <td>PBD</td> <td>KB</td> <td>DF</td> </tr> <tr> <td colspan="2"></td> <td>GL</td> <td></td> </tr> </table> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">POOL</td> <td style="width: 40%;">PERFS</td> </tr> <tr> <td>SALT LAKE; YATES</td> <td>3040-3053</td> </tr> <tr> <td>POOL</td> <td>PERFS</td> </tr> <tr> <td></td> <td>3122-3126</td> </tr> <tr> <td>POOL</td> <td>PERFS</td> </tr> <tr> <td></td> <td></td> </tr> </table>		SURF LOC:	UL: K	SEC: 18	TWN: 20S	RNG: 33E				2310 FSL		1980 FWL		TD 3144	PBD	KB	DF			GL		POOL	PERFS	SALT LAKE; YATES	3040-3053	POOL	PERFS		3122-3126	POOL	PERFS		
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WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-27903	
FORM	DEPTH	OPERATOR: BEPCO LP	
<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 10px;">PLUG 10 sxs</div> <div style="margin-bottom: 10px;">Rustler 1111</div> <div style="margin-bottom: 10px;">Top Salt 1182</div> <div style="margin-bottom: 10px;">Base Salt 2640</div> <div style="margin-bottom: 10px;">Yates 2796</div> <div style="margin-bottom: 10px;">7 Rvrs 3032</div> <div>Capitan R (est) 3250</div> </div>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 10px;">8 5/8 @ 1102' TOC 0'</div> <div style="margin-bottom: 10px;">5 1/2 @ 2900' TOC @ 0'</div> </div>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 10px;">LEASENAME: BASS STATE</div> <div style="margin-bottom: 10px;">WELL NO. 5</div> <div style="display: flex; justify-content: space-between; width: 100%;"> <div>SURF LOC:</div> <div>UL: C</div> <div>SEC: 18</div> <div>TWN: 20S</div> <div>RNG: 33E</div> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <div>330 FNL</div> <div>2310 FWL</div> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <div>TD 3056</div> <div>PBD</div> <div>KB 3528</div> <div>DF</div> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <div>GL 3524</div> <div></div> </div> <div style="margin-bottom: 10px;">POOL SALT LAKE; YATES</div> <div style="margin-bottom: 10px;">POOL</div> <div>POOL</div> </div>	
	<div style="display: flex; justify-content: space-between;"> <div>Open Hole</div> <div>2900-3056</div> </div>		
	PERFS		
	PERFS		
PLUG 200 sxs 625-2714 TAG @ 625'			
CIBP @ 2714			
TD 3056'			

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	8 5/8	1102	600 sxs	12 1/4	0' CIRC
PROD.	5 1/2	2900	750 sxs	7 7/8	0' CIRC

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-28128				
FORM	DEPTH	OPERATOR: BEPCO LP				
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>PLUG 10 sxs</p> <p>PLUG 25 sxs 301-401</p> <p>PLUG 180 sxs 639-2700'</p> <p>PLUG 50 sxs 2762-3079</p> <p>TD 3079'</p> </div> <div style="width: 45%; text-align: right;"> <p>8 5/8 @ 1114' TOC 0'</p> <p>5 1/2 @ 3022' TOC @ 0'</p> </div> </div> <div style="margin-top: 20px;"> <p>Rustler 1106</p> <p>Top Salt 1178</p> <p>Base Salt 2653</p> <p>Yates 2806</p> <p>7 Rvrs 3048</p> <p>Capitan R (est) 3250</p> </div>		LEASENAME: BASS STATE		WELL NO. 6		
		SURF LOC:	UL: C	SEC: 18	TWN: 20S	RNG: 33E
		330 FNL		1650 FWL		
		TD 3079	PBD	KB 3540	DF	
				GL 3524		
		POOL SALT LAKE; YATES				Open Hole 3022-3079
		POOL				PERFS
POOL				PERFS		

CASING RECORD					
	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	8 5/8	1114	535 sxs	12 1/4	0' CIRC
PROD.	5 1/2	3022	860 sxs	7 7/8	0' CIRC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

5. Lease Serial No.

NM-149957

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

Brooks Fed #7

2. Name of Operator

J.F. McAdams

9. API Well No.

30.015.25172

3a. Address

1008 W. Broadway Hobbs

3b. Phone No. (include area code)

575.872.2982

10. Field and Pool or Exploratory Area

Salt Lake Yate

11. Country or Parish, State

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit B 3301N 9901W Sect 18 Twp 20 Rng 33 E

lea

12. CHECK THE 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 type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 recomple 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

- 1) Plan to clean out well and convert to SWD
- 2) clean out well bore
- 3) Acidize existing perfs and additional perfs if needed. From 2800 to 3034
- 4) Run in hole set 4 1/2 pkr & approximately 2750.
- 5) inject produced water down 2" IPC tubing into the Yate formation
- 6) Pressure test well as required
- 7) File sundry notice.

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

Eddie W Seay

Title

Agent

Signature

Eddie W Seay

Date

11/3/2008

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 page 2)

POOLCHLORIDES

Dean Permo Pennsylvanian	44,730
Dean Devonian	19,525
Denton Wolfcamp	37,275
Denton Devonian	37,062
South Denton Wolfcamp	54,315
South Denton Devonian	34,080
Medicine Rock Devonian	39,760
Little Lucky Lake Devonian	23,288
Wantz Abo	132,770
Crosby Devonian	58,220
Scarborough Yates Seven Rivers	3,443 (Reef)
Teague Simpson	114,665
Teague Ellenburger	120,345
Rhodes Yates Seven Rivers	144,485
House San Andres	93,365
House Drinkard	49,700
South Leonard Queen	115,375
Elliott Abo	55,380
Scharb Bone Springs	30,601
EK Queen	41,890
East EK Queen	179,630
Maljamar Grayburg San Andres	46,079
Maljamar Paddock	115,375
Maljamar Devonian	25,418
Salt Lake Yates	6,781 (Reef)
Teas Yates Seven Rivers	22,152 (Reef?)

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

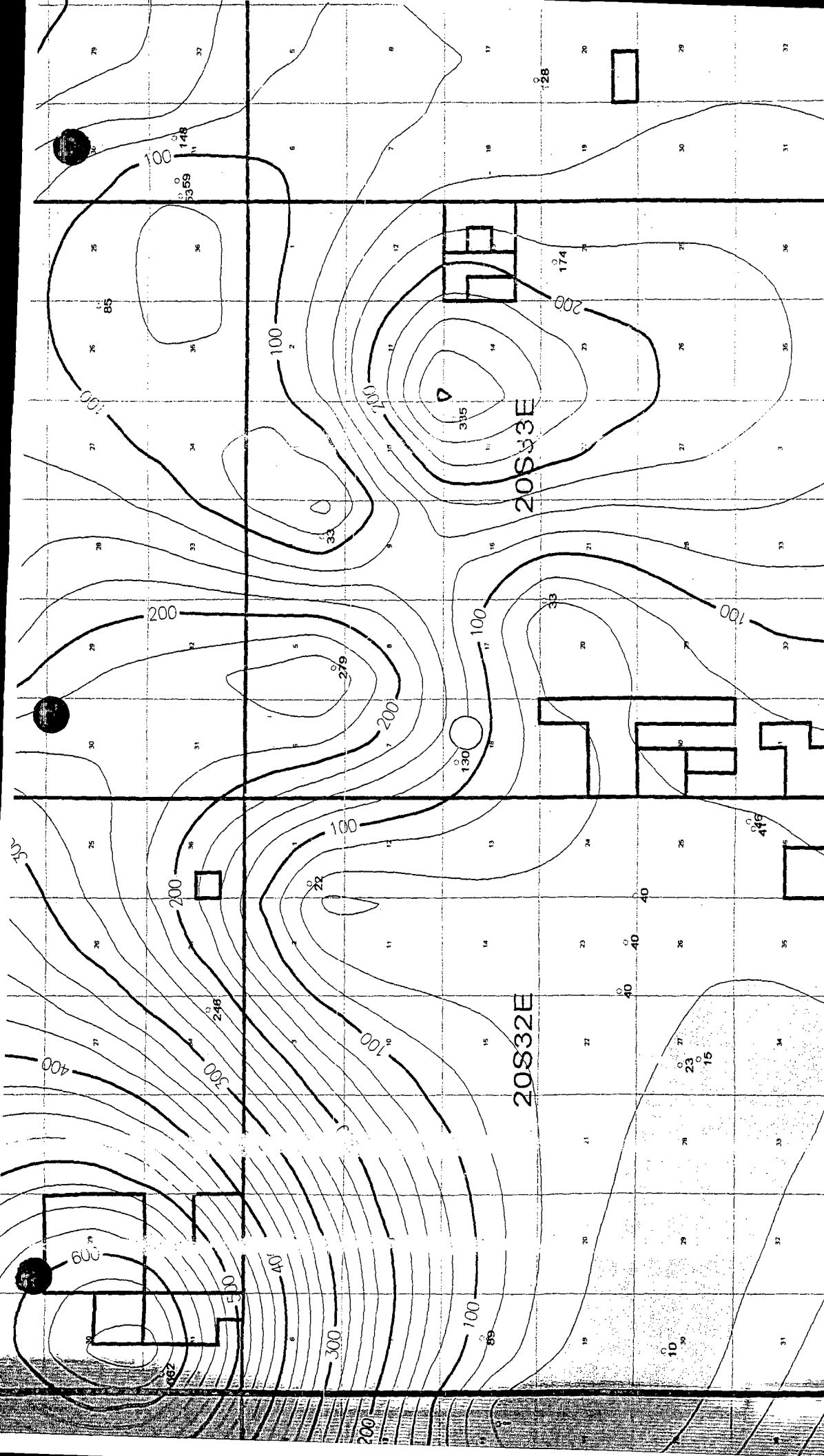
iWATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 11/03/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again



Groundwater Map (Potok Area)

LEASE OWNERS AND OFFSETS

LAND OWNER AND MINERAL OWNER:

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

OFFSET OPERATORS:

None

MINERAL OWNERS:

Mitchell Energy
Box 4000
Spring, TX 76367

Conoco-Phillips
3401 E. 30th St.
Farmington, NM 87402

Bass Ent.
Box 2760, 6 Desta Dr., Ste. 3700
Midland, TX 79701

POTASH OWNER:

Mosaic Potash
Box 71
Carlsbad, NM 88220

J.F. McADAMS

November 3, 2008

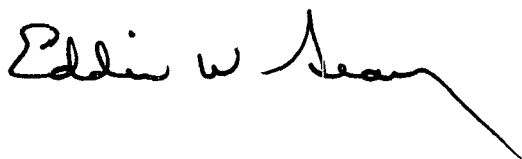
RE: Brooks Federal. #7
Unit B, Sect. 18, T. 20 S., R. 33 E.
API #30-025-25172

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,

A handwritten signature in black ink, appearing to read "Eddie W. Seay", with a long, sweeping horizontal line extending to the right.

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

7008 1140 0001 3089 7308

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	
Postage	\$ 1.85
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.75

11/03/2008

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

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3089 7308

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 79701	
Postage	\$ 1.68
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.58

11/03/2008

Bass Ent.
 Box 2760, 6 Desta Dr., Ste. 3700
 Midland, TX 79701

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3089 7308

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CERTIFIED MAIL™ RECEIPT	
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For delivery information visit our website at www.usps.com	
IOWA PARK TX 76367	
Postage	\$ 1.68
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.58

11/03/2008

Mitchell Energy
 Box 4000
 Spring, TX 76367

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3089 7292

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For delivery information visit our website at www.usps.com	
CARLSBAD NM 88220	
Postage	\$ 1.68
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.58

11/03/2008

Mosaic Potash
 Box 71
 Carlsbad, NM 88220

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0001 3089 7292

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
FARMINGTON NM 87402	
Postage	\$ 1.68
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.58

11/03/2008

Conoco-Phillips
 3401 E. 30th St.
 Farmington, NM 87402

PS Form 3800, August 2006 See Reverse for Instructions

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, J.F. McAdams, 1008 W. Broadway, Hobbs, NM 88241, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Brooks Federal #7, API 30-025-25172, located in Unit B, Section 18, Township 20 South, Range 33 East, Lea Co., NM. The injection formation is the Yates from 2800' to 3034' below surface. Expected maximum injection rate is 750 bpd., and the expected maximum injection pressure is 500 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

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 LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of October 30, 2008 and ending with the issue of October 30, 2008.

And that the cost of publishing said notice is the sum of \$ 22.69 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 31st day of October 2008

Debbie Schilling
Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, J.F. McAdams, 1008 W. Broadway, Hobbs, NM 88241, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Brooks Federal #7, API 30-025-25172, located in Unit B, Section 18, Township 20 South, Range 33 East, Lea Co., NM. The injection formation is the Yates from 2800 to 3034 below surface. Expected maximum injection rate is 750 bpd., and the expected maximum injection pressure is 500 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

Published in the Lovington Leader October 30, 2008.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, November 17, 2008 11:01 AM
To: 'GolfGodpar@aol.com'; 'Eddie Seay'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Warnell, Terry G, EMNRD
Subject: RE: C-108 application API 30-025-25172 Brooks Federal #7

Hello Tony or Eddie:

For lease injection, your injection application looks reasonable. Because of the old wells and proximity to the Salt and the Reef, if this were for commercial injection, it would need to have a closer look.

Here are a few concerns:

- 1) We don't seem to have elogs on file in our imaging system for any of your wells. You are shown on our system to operate 4 wells, please send copies of any elogs, CBLs, TS, etc that you can find to the Hobbs district, attn Paul Kautz. The Brooks Federal #7 had a cased hole GR-CNL run – but this is not in our records and it should be. Due to the lack of elogs, it is hard to verify where the Salt ends and the top of the Reef begins. The deeper wells seem to not have elogs either.
- 2) A couple of wells in the Area of Review have cement tops that were not verified and may or may not be below 2800 feet. Injection at 2800 feet would potentially expose the Salt to injection fluid. The permit will be written with the top of the injection at 2900 feet. If you have trouble getting enough injection volumes, at that time, an amended permit may be issued, if you request.
- 3) Your application says "no fresh water in this area". Where is the nearest windmill or water well? If you can find one within 1 mile, then send an analysis of the water in.
- 4) Are you OK with a permit to inject into this well from ONLY your producing Salt Lake; Yates Pool wells? If you have other water production (than Yates) that needs disposal, then please send a water analysis and estimated volume.

None of these concerns should delay your permit – please reply as soon as possible.

Thank You,

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

From: GolfGodpar@aol.com [mailto:GolfGodpar@aol.com]
Sent: Thursday, November 13, 2008 4:13 PM
To: Jones, William V., EMNRD
Subject: Re: C-108 application API 30-025-25172 Brooks Federal #7

Thanks so much... I will keep my fingers (and my wallet) crossed :-)
Tony

In a message dated 11/13/2008 3:43:52 P.M. Mountain Standard Time, William.V.Jones@state.nm.us writes:

Hello Tony:
It was delivered at lunch today. It was logged in Nov 10 (Monday). I was out until today (Thursday).

We can release by Nov 26 if everything is fine with the application, otherwise it gets pushed back.
I will look at it and let you know.

Take Care,

Jones, William V., EMNRD

From: GolfGodpar@aol.com
Sent: Monday, November 17, 2008 1:45 PM
To: Jones, William V., EMNRD
Subject: Re: C-108 application API 30-025-25172 Brooks Federal #7

Mr. Jones,

We are OK with a permit to inject only water production from our 4 (now 3) operating wells that needs disposal. I have contacted persons in Hobbs and they are working on preparing answers to respond to all your other questions. We will respond shortly.

Thank you again for your prompt assistance in this matter.

Tony McAdams

In a message dated 11/17/2008 11:02:33 A.M. Mountain Standard Time, William.V.Jones@state.nm.us writes:

- 4) Are you OK with a permit to inject into this well from ONLY your producing Salt Lake; Yates Pool wells? If you have other water production (than Yates) that needs disposal, then please send a water analysis and estimated volume.

Get the Moviefone Toolbar. Showtimes, theaters, movie news & more!

This inbound email has been scanned by the MessageLabs Email Security System.

Jones, William V., EMNRD

From: Eddie Seay [seay04@leaco.net]
Sent: Wednesday, November 19, 2008 4:27 PM
To: Jones, William V., EMNRD
Subject: McAdams C-108 Application

November 20, 2008

NMOCD Engineering
ATTN: William V. Jones
1220 S. Saint Francis Dr.
Santa Fe, NM 87504

RE: McAdams
C-108 Application
Brooks Fed. #7 API 30-025-25172

Mr. Jones:

We appreciate your response to the application. In answering your request, I have talked to Mr. Kautz with the OCD concerning logs. He is checking on old strip logs to see if anything shows up. He said that he would assist in determining the reef and salt.

Also, I have reviewed water information in both Tws. 20, Rng. 33 and Tws. 20, Rng. 32, no water wells exist. This is in the potash area and the area where pits were allowed because there was no groundwater.

Should you need anything further, please call.

Thanks,

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

This inbound email has been scanned by the MessageLabs Email Security System.

Injection Permit Checklist (7/8/08)

Case _____ R- SWD 164 WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr _____

Wells _____ Well Name: Brooks Federal #7

API Num: (30-) 025-2572 Spud Date: _____ New/Old: _____ (UIC primacy March 7, 1982)

Footages 330 FEET / 990 FEET Unit B Sec 18 Tsp 20S Rge 33E County LEA

Operator: J.F. McADAMS Contact TONY McADAMS / Eddie Gray

OGRID: 11238 RULE 40 Compliance (Wells) 0/4 (Finan Assur) OK

Operator Address: 1008 W. BROADWAY, HOBBS, NM 88241

Current Status of Well: Producing

Planned Work to Well: Convert Planned Tubing Size/Depth: 2 3/8" x 2910'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing _____ Surface	<u>12 1/4 10 3/4</u>	<u>1200'</u>	<u>500</u>	<u>CIRC</u>
Existing _____ Intermediate	<u>8 3/4 7</u>	<u>2707'</u>	<u>500</u>	<u>CIRC</u>
Existing _____ Long String	<u>6 1/4 4 1/2</u>	<u>2608-3034</u>	<u>75</u>	<u>2608'</u>

LINER

DV Tool _____ Liner _____ Open Hole X Total Depth _____ PBTD _____

Well File Reviewed ☒

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: None (Case Hole CML Run)

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>2613 - Base of Salt</u>		
Injection..... Interval TOP:	<u>2950 - 2950</u>	<u>Y</u>	
Injection..... Interval BOTTOM:	<u>3030 - 3030</u>	<u>Y</u>	
Below (Name and Top)	<u>3050 - 7 KURS TOP</u>		

Salt Lake; Water Pool area

580 PSI Max. WHIP
NO Open Hole (Y/N)
X Deviated Hole?

Sensitive Areas: Capitan Reef 3250' Cut House Salt Depths 1260 - 2613

..... Potash Area (H-111-P) _____ Potash Lessee MOAIC Noticed? ☒

Fresh Water: Depths: _____ Wells(Y/N) _____ Analysis Included (Y/N): _____ Affirmative Statement ☒

Salt Water: Injection Water Types: 75G BIWPD (ONLY) From McADAMS Analysis? _____

Injection Interval.....Water Analysis: ☒ Hydrocarbon Potential RE-INJECT waste water

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

RULE 701B(2) Affected Parties: MITCHELL / Conoco / BLM / MOAIC / BLM

Area of Review: Adequate Map (Y/N) ☒ and Well List (Y/N) ☒

Active Wells 3 Num Repairs 0 Producing in Injection Interval in AOR Yes

..P&A Wells 11 Num Repairs 0 All Wellbore Diagrams Included? Yes

Questions to be Answered:

- more info on FW
- LOGS
- 2900' to present salt

Required Work on This Well: _____ Request Sent _____ Reply NO

AOR Repairs Needed: _____ Request Sent _____ Reply NO

_____ Request Sent _____ Reply NO

2480
5800
NOTICED
11/3/08

5007 Deep
BF #6
1713
NO LOGS
5008
01714