

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF DELAWARE ENERGY LLC
TO REVOKE THE INJECTION AUTHORITY
GRANTED UNDER SWD-1680 FOR THE ALPHA
SWD NO. 1 WELL OPERATED BY ALPHA SWD
OPERATING LLC, EDDY COUNTY, NEW MEXICO.**

Case No. 15855

DELAWARE ENERGY LLC'S PREHEARING STATEMENT

Delaware Energy LLC ("Delaware Energy"), the applicant in the above referenced case,
submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Delaware Energy LLC
405 N. Marienfeld, Suite 250
Midland, TX 79705

ATTORNEY

Michael H. Feldewert, Esq.
Jordan L. Kessler
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

RECEIVED OCD
2011 OCT 31 P 4:55

OTHER PARTIES

Alpha SWD Operating Inc.

Matador Production Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

ATTORNEY

Gary W. Larson
Hinkle Shanor LLP
218 Montezuma
Santa Fe, New Mexico 87501
(505) 982-4554 telephone
glarson@hinklelawfirm.com

Michael H. Feldewert, Esq.
Jordan L. Kessler
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

APPLICANT'S STATEMENT OF CASE

Delaware Energy seeks an order from the Division revoking the injection authority granted to Alpha SWD Operating LLC ("Alpha") under Administrative Order SWD-1680. This Order was issued without notice to Delaware Energy even though it has a surface use agreement with the landowner and a pre-existing application before the Division for an injection well in the same area (within 800 feet) and the same injection formation (Devonian). Moreover, Order SWD-1680 was issued prematurely before expiration of the fifteen-day period required by Division Rule 19.15.26.8.C(2). A review of the Division's records reflects the following undisputed course of events:

1. On October 24, 2016, Delaware Energy filed a C-108 application for administrative approval of a salt water disposal well (Ruiz SWD No. 1) at a location in the NE/4

SW/4 (Unit K) of Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico. The application proposed to inject salt water into the Devonian formation.

2. On October 31, 2016, the Division informed Delaware Energy that because RSC Resources and Guardian Operating had filed protests, the C-108 application “will be retained by OCD, but suspended from further administrative review.” *See Exhibit A*, attached hereto. The Division further informed Delaware Energy that if the protests were not be resolved “OCD will initiate the process for the application to be reviewed at hearing.” *Id.*

3. Delaware Energy subsequently engaged in lengthy and successful discussions with Guardian Operating Corporation and RSC Resources, L.P. to eventually resolve their concerns. *Id.*

4. On June 12, 2017, while Delaware Energy was still in discussions with the objecting parties, Alpha filed a competing C-108 application seeking authorization to inject into the Devonian formation through the proposed Alpha SWD No. 1 to be drilled in adjacent Unit J of Section 10. *See Exhibit B.*¹ Alpha’s proposed competing disposal well is within 800 feet of the disposal well that is the subject of Delaware Energy’s previously filed C-108 application.

5. Division records reflect Delaware Energy was not provided notice of the filing of Alpha’s competing disposal application by either Alpha or the Division. *See Exhibit B* at 19.²

6. On the same day that the Division received Alpha’s C-108 application, it informed Alpha that the application was incomplete and “will not be placed into the administrative review process.” *See Exhibit B*, at 25.

¹ Exhibit B contains the entire file accessible on the Division’s website.

² Delaware Energy will further present evidence at the hearing that Alpha knew Delaware Energy had (i) a surface use agreement within the area of review, and (ii) that Delaware Energy had a pending C-108 application before the Division for an injection well in the same area and same injection formation.

7. On June 19, 2017, Alpha submitted the additional information the Division required for the application to be considered “complete with all attachments[.]” *See* Exhibit B at 26-29, 30 (reflecting additional information was not received until 6/19/17); *see also* NMRA 19.15.26.8.C(2).

8. Neither Alpha’s initial C-108 Application nor the subsequent information provided by Alpha reflect that notice was received by Matador Production Company. *See* Exhibit B at 19 and 26.

9. On June 27, 2017, the Division received notice that Guardian Operating Corporation and RSC Resources, L.P. had dropped their opposition to Delaware Energy’s previously filed C-108 application. *See Exhibit A*. This notice was filed as a direct response to the Division’s October 2016 email providing notice of the objections and placing the application in suspense.

10. On June 28, 2017, only nine days after Alpha provided the information deemed necessary for Alpha’s application to be administratively complete, the Division issued Administrative Order SWD-1680. In contrast, Division rules mandate that an application is not ripe for approval until fifteen days following receipt of the information necessary to be deemed complete. *See* NMRA 19.15.26.8.C(2) (“The division shall not approve an application for administrative approval until 15 days following the division’s receipt of form C-108 complete with all attachments including....”).³

³ “[R]egulations validly prescribed by a government administrator are binding upon him as well as the citizen, and this principle holds even when the administrative action under review is discretionary in nature.” *Service v. Dulles*, 354 U.S. 363, 372 (1957). *See also Berkovitz v. United States*, 486 U.S. 531, 544 and n.10 (1988) (“The agency has no discretion to deviate from [the regulation’s] mandated procedure.”); *Miller v. City of Albuquerque*, 1976-NMSC-052, ¶ 19, 554 P.2d 665 (reversing municipality’s zoning decision because it “failed to follow the city zoning ordinance, its own procedures, and the requirements imposed upon others.”)

Division records confirm that Delaware Energy was denied notice of Alpha's competing and subsequently filed C-108 application for a disposal well. They further reflect that the Division failed to consider Delaware Energy's previously filed C-108 application for a disposal well before issuance of Order SWD-1680. These procedural defects are compounded by the undisputed fact that the protests associated with Delaware Energy's pre-existing disposal application were resolved prior to expiration of the fifteen-day review period applicable to Alpha's subsequently filed, competing disposal application. Revocation of Order SWD-1680 is necessary to remedy substantial prejudice to Delaware Energy, to avoid violation of Delaware Energy's due process rights, to address the procedural defects associated with the issuance of Order SWD-1680, and to allow the competing disposal applications to be properly considered by the Division.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Michael McCurdy Engineer	Approx. 30	Approx. 10
Jason Goss Engineer	Approx. 15	Approx. 5

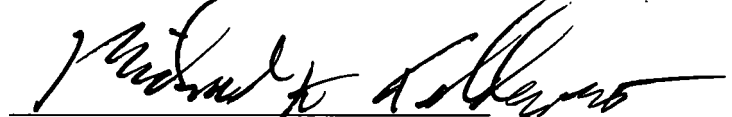
PROCEDURAL MATTERS

The injection authority authorized by Order SWD-1680 has been suspended by the Division under Emergency Stay Order No. R-14484. While that Emergency Stay Order has technically expired, Alpha voluntarily agreed not to commence drilling the proposed disposal well until after the special hearing date in this matter.

The Division has issued a document subpoena to Alpha at the request of Delaware Energy. The subpoena seeks contracts and communications that Alpha appears to rely upon to assert prejudice from the relief sought by Delaware Energy's application. After obtaining an extension of time to produce the responsive documents, Alpha informed Delaware Energy today that it has withheld an undisclosed number of responsive contracts and communications. Delaware Energy intends to file a motion to compel production of these responsive documents, which may necessitate a delay in the hearing of this matter.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

Michael H. Feldewert, Esq.

Adam Rankin

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

Email: mfeldewert@hollandhart.com

Email: agrarkin@hollandhart.com

**ATTORNEYS FOR DELAWARE ENERGY
LLC**

CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2017, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Gary W. Larson
Hinkle Shanor LLP
218 Montezuma
Santa Fe, New Mexico 87501
(505) 982-4554 telephone
glarson@hinklelawfirm.com

ATTORNEY FOR ALPHA SWD OPERATING INC.



Michael H. Feldewert
Jordan L. Kessler

Subject: FW: Protest of Application to Inject- Ruiz SWD Well No. 1

From: Randy Cate <guardianopcorp@yahoo.com>

Date: **June 27, 2017** at 1:19:09 PM CDT

To: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>, Preston Stein <preston@delawareenergyllc.com>

Cc: "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>, "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>,"

"Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>, Chris Carleton <ccarleton@matadorresources.com>

Subject: Re: Protest of Application to Inject- Ruiz SWD Well No. 1

Gentlemen,

RSC Resources, LP and Guardian Operating Corp. hereby drop their objection to the Ruiz SWD application as Delaware Energy has revised its casing program to our satisfaction.

Regards,

Randy Cate
Guardian Operating Corp.
RSC Resources, L.P.
432-553-1849

On Monday, **October 31, 2016**, 11:47:59 AM CDT, McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us> wrote:

RE: Ruiz SWD Well No. 1 (API 30-015-pending; Appl. No. pMAM1630053276) – Sec 10, T. 24 S., R. 28 E., NMPM, Eddy County.

Mr. Stein

OCD was notified that Guardian Operating, Corporation and RSC Resources, L.P. (Guardian) are protesting this application for approval of a salt water disposal well. Guardian has stated that the proposed injection well's proposed casing programs is inadequate. Therefore, you are being notified that if Delaware Energy, LLC wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained by OCD, but suspended from further administrative review. Please contact OCD once you have made a decision regarding the application within the next 30 days. If the protest remains after 30 days, OCD will initiate the process for the application to be reviewed at hearing. Please contact me with any questions regarding this matter. PRG

Counsel for Guardian Operating

Randy Cate
6824 Island Circle
Midland, TX. 79707
Phone: 432.553.1849
E-mail: guardianopcorp@yahoo.com

MICHAEL A. MCMILLAN
Engineering Bureau, Oil Conservation Division
1220 south St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448
Michael.McMillan@state.nm.us

672-207	SUSPENSE	ENGINEER	672-207	SLD	PMAM/16358335
---------	----------	----------	---------	-----	---------------

ABOVE THIS LINE FOR DIVISION USE ONLY

*Supplied
6-12-2017
NO AFE/PA
with R. P. [unclear]
[unclear]*

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2220 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 _____

*- SLD
- Alpha SWD operating UG
372180*

*U-211
- Alpha SWD #1
30-015-44237*

*R01
- SWD
Dequien -
Silvian
97865*

[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

Chns Weyand
 Print or Type Name

Signature

Consulting Engineer
 Title

Date

chns@lonquist.com
 e-mail Address

6/6/2017

LONQUIST & CO. LLC

PETROLEUM
ENGINEERS

ENERGY
ADVISORS

AUSTIN · HOUSTON · WICHITA · DENVER · CALGARY

June 6, 2017

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division District IV
1220 South St Francis Drive
Santa Fe, New Mexico 87505
(505) 476-3440

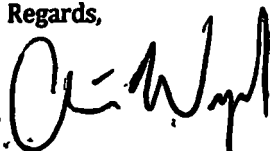
RE: ALPHA SWD NO. 1 AUTHORIZATION TO INJECT

To Whom It May Concern:

Attached for your review is Form C-108, Application for Authorization to Inject, and its supplemental documents prepared for Alpha SWD Operating LLC's Alpha SWD No. 1. In addition, Forms C-101 and C-102 have also been included with this package. Notices have been sent to offset leaseholders and the surface owner. Proof of notice will be sent to the OCD upon receipt.

Any questions should be directed towards Alpha SWD Operating LLC's agent Lonquist & Co., LLC.

Regards,



Christopher B. Weyand
Staff Engineer
Lonquist & Co., LLC

(512) 600-1764
chris@lonquist.com

APPLICATION FOR AUTHORIZATION TO INJECT

- I PURPOSE Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II OPERATOR ALPHA SWD OPERATING LLC
ADDRESS 4436 STERLING LN // PLANO, TX 75093
CONTACT PARTY KURT KNEWITZ PHONE (214) 418-1177
- 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 Christopher B. Weyand TITLE Consulting Engineer
SIGNATURE [Signature] DATE 6/6/2017
E-MAIL ADDRESS chris@lonquist.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted
Please show the date and circumstances of the earlier submittal _____

DISTRIBUTION Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III WELL DATA

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

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

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

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

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

XIV PROOF OF NOTICE

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

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

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

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

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

Side 1

INJECTION WELL DATA SHEET

OPERATOR: ALPHA SWD OPERATING LLC

WELL NAME & NUMBER: ALPHA SWD #1

WELL LOCATION: 1,457' FSL & 2,093' FEL J 10 24S 28E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size 26 000"

Casing Size 20 000"

Cemented with 1,420 sx

or _____ ft³

Top of Cement surface

Method Determined circulation

1st Intermediate Casing

Hole Size 17 500"

Casing Size 13 375"

Cemented with 1465 sx

or _____ ft³

Top of Cement surface

Method Determined circulation

2nd Intermediate Casing

Hole Size 12 250"

Casing Size 9,625"

Cemented with 1840 sx

or _____ ft³

Top of Cement surface

Method Determined circulation

Production Liner

Hole Size 8.500"

Casing Size 7.625"

Cemented with 370 sx

or _____ ft³

Top of Cement 9,400'

Method Determined calculation

Total Depth 15,200'

Injection Interval

14,000 feet to 15,200 feet

(Open Hole)

INJECTION WELL DATA SHEET

Tubing Size: 5.500", 17 lb/ft, P-110, BT&C from 0' - 9,400' and 5.500", 17 lb/ft, P-110 UFJ from 9,400' - 13,950'

Lining Material: Duoline

Type of Packer D&L Oil Tools 7.625" Permapack Packer - Single Bore

Packer Setting Depth: 13,950'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

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

If no, for what purpose was the well originally drilled? N/A

2. Name of the Injection Formation Devonian, Silurian, Fusselman and Montoya (Top 100')

3. Name of Field or Pool (if applicable): SWD; Silurian-Devonian

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, new drill.

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

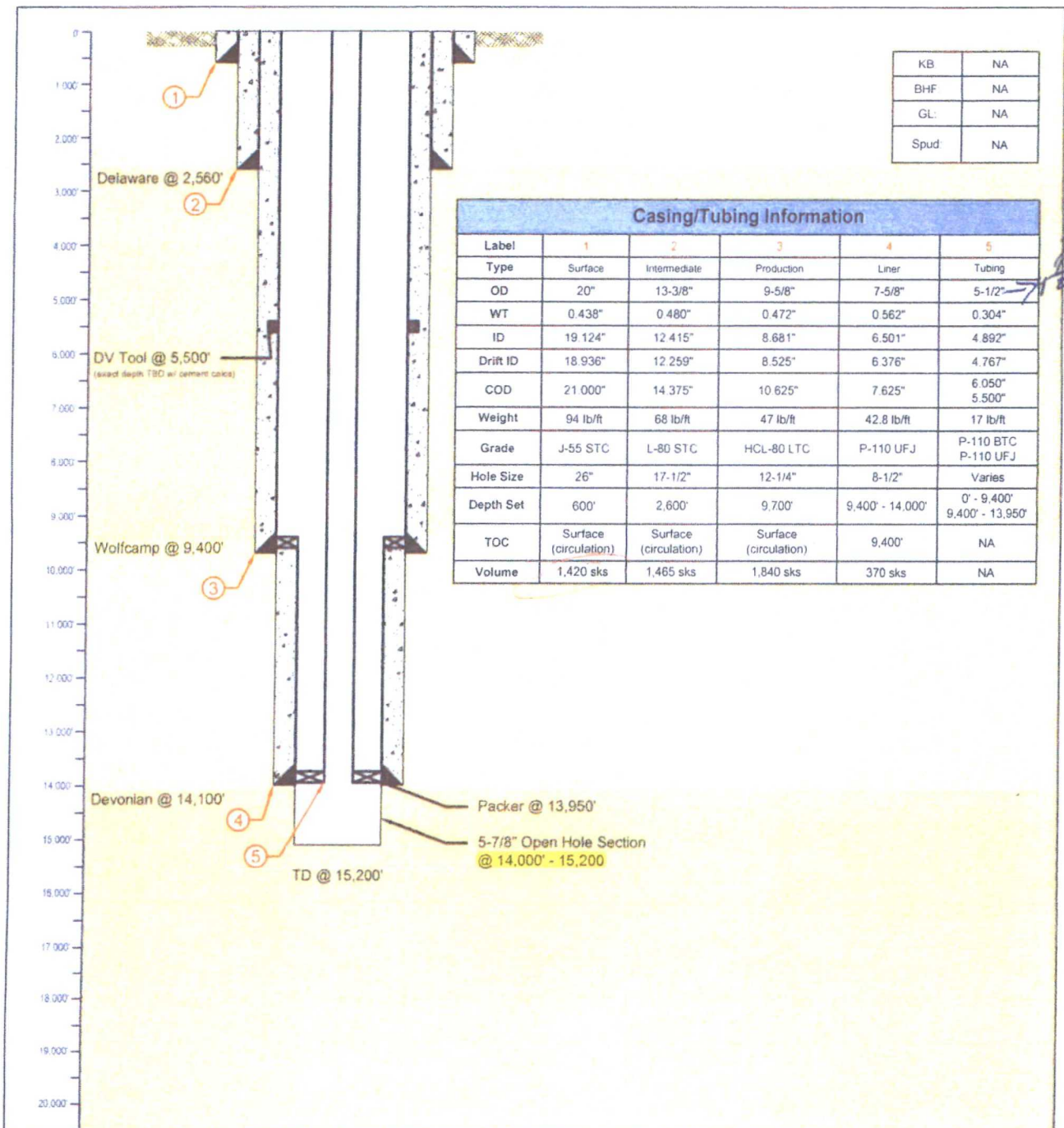
Cherry Canyon: 4,800'

Bone Spring: 6,299'

Wolfcamp: 9,400'

Atoka: 11,617'

Morrow: 12,190'



LONQUIST FIELD SERVICE <small>ANALYSIS & LOGGING</small> <small>3345 Bee Cave Road, Suite 201 Austin, Texas 78746 Tel: 512.732.9812 Fax: 512.732.9816</small>	Alpha SWD		Alpha SWD #1 - Proposed	
	Country: USA		State/Province: New Mexico	County/Parish: Eddy
	Location: Malaga, NM		Site:	Survey/STR: Sec. 10-24S-28E
	API No:		Field:	Well Type/Status: SWD
	Texas License F-9147		Project No:	Date: 5/19/17
	Drawn: CBW		Reviewed: CBW	Approved: SLP
	Rev No: 1		Notes:	

Alpha SWD Operating LLC

Alpha SWD No. 1

FORM C-108 Supplemental Information

III Well Data

A Wellbore Information

1

Well information	
Lease Name	Alpha SWD
Well No.	1
Location	S-10 T-24S R-28E
Footage Location	1,457' FSL & 2,093' FEL

2

a Wellbore Description

Casing Information				
Type	Surface	Intermediate	Production	Liner
OD	20"	13 375"	9 625"	7.625"
WT	0 438"	0 480"	0 472"	0.562"
ID	19 124"	12.415"	8.681"	6.501"
Drift ID	18 936"	12 259"	8 525"	6.376"
COD	21 00"	14 375"	10 625"	7.625"
Weight	94 lb/ft	68 lb/ft	47 lb/ft	42 8 lb/ft
Grade	J-55	L-80	HCL-80	P-110
Hole Size	26"	17 5"	12.25"	8.5"
Depth Set	600'	2,600'	9,700'	9,400' – 14,000'

b Cementing Program

Cement Information				
Casing String	Surface	Intermediate	Production	Liner
Lead Cement	C	C	NeoCem	H
Lead Cement Volume	1,420 sx	1,100 sx	Stage 1 530 sx Stage 2 770 sx	370 sx
Tail Cement		C	NeoCem/HALCEM	
Tail Cement Volume		365 sx	Stage 1 390 sx Stage 2. 150 sx	
Cement Excess	100%	25%	25%	25%
TOC	Surface	Surface	Surface	9,400'
Method	Circulate to Surface	Circulate to Surface	Circulate to Surface	Logged

3 Tubing Description

Tubing Information		
OD	5 5"	5.5"
WT	0 304"	0 304"
ID	4 892"	4 892"
Drift ID	4.767"	4.767"
COD	6 050"	5 500"
Weight	17 lb/ft	17 lb/ft
Grade	P-110 BTC	P-110 UFJ
Depth Set	0'-9,400'	9,400'-13,950'

Tubing will be lined with Duoline

4 Packer Description

D&L Oil Tools 7 625" Permapack Packer – Single Bore

B Completion Information

- 1 Injection Formation Devonian, Silurian, Fusselman, Montoya (Top 100')
- 2 Gross Injection Interval 14,000' – 15,200'

Completion Type Open Hole

- 3 Drilled for injection
4. See the attached wellbore schematic
- 5 Oil and Gas Bearing Zones within area of well:

Formation	Depth
Cherry Canyon	4,800'
Bone Spring	6,299'
Wolfcamp	9,400'
Atoka	11,617'
Morrow	12,190'

VI Area of Review

No wells within the area of review penetrate the proposed injection zone

VII Proposed Operation Data

- 1 Proposed Daily Rate of Fluids to be Injection

Average Volume: 25,000 BPD
Maximum Volume 32,000 BPD

- 2 Closed System

- 3 Anticipated Injection Pressure

Average Injection Pressure 2,100 PSI (surface pressure)
Maximum Injection Pressure 2,800 PSI (surface pressure)

- 4 The injection fluid is to be locally produced water Attached are produced water sample analyses taken from the closest wells that feature samples from the Delaware and Morrow formations
- 5 The disposal interval is non-productive No water samples are available from the surrounding area.

VIII Geological Data

The Devonian formation is a dolomitic ramp carbonate that occurs below the Woodford shale and above the Fusselman formation. Strata found in the Devonian formation include two major groups, the Wristen Buildups and the Thirtyone Deepwater Chert, with the Wristen being more abundant. The Wristen Group is composed of mixed limestone and dolomites with mudstone to grainstone and boundstone textures. Porosity in the Wristen group is a result of both primary and secondary development. Present are moldic, vugular, karstic (including collapse breccia) features that allow for higher porosities and permeabilities. The Thirtyone Formation contains two end-member reservoir facies, skeletal packstones/grainstones and spiculitic chert, with most of the porosity and permeability found in the coarsely crystalline cherty dolomite. These particular characteristics allow for this formation to be a tremendous Salt Water Disposal horizon.

A Injection Zone. Siluro-Devonian Formation

Formation	Depth
Rustler	Eroded, not present
Salado	1,095'
Delaware	2,566'
Cherry Canyon	4,800'
Bone Spring	6,299'
Wolfcamp	9,400'
Strawn	11,383'
Atoka	11,617'
Morrow	12,190'
Mississippian Lime	13,630'
Woodford	13,922'
Devonian	14,100'

B Underground Sources of Drinking Water

Within 1-mile of the proposed Alpha SWD #1 location water wells range in depth from 50' to 123'. Reported depths to fresh water range from 8' to 32' (18' on average). This is not a known fresh water aquifer, but rather represents a sporadic alluvial source.

IX Proposed Stimulation Program

No proposed stimulation program

X Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI Chemical Analysis of Fresh Water Wells

Quite a few fresh water wells exist within one mile of the well location. Fresh water samples will be obtained from two of the wells (yet to be determined) and analysis of these samples, a map, and the Water Right Summary from the New Mexico Office of the State Engineer will be provided to the OCD as soon as they are available.

XII Affirmative Statement of Examination of Geologic and Engineering Data

Based on the available engineering and geologic data we find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-015-44237		* Pool Code 96101	* Pool Name SWD, Silurian-Devonian
* Property Code 317792	* Property Name Alpha SWD		* Well Number #1
* OGRID No. 372180	* Operator Name Alpha SWD Operating LLC		* Elevation 3008.69'

* Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	10	24 S	28 E		1457'	SOUTH	2093'	EAST	EDDY

* Bottom Hole Location If Different From Surface

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

* Dedicated Acres	* Joint or Infill	* Consolidation Code	* Order No

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division

<p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>ALPHA SWD #1 Y=447290.53 X=821616.30 LAT=32 229411 N LONG=-104 073711 W ELEV=3008.69'</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A - Y=451093.37, X=818378.89 B - Y=451081.50, X=823704.83 C - Y=445834.88, X=823709.95 D - Y=445829.34, X=818417.08</p> <p>40 AC</p> <p>ALPHA SWD #1</p> <p>2093'</p> <p>1457'</p>	<p>* OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well on this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 6/6/2017 _____ Christopher Weyand Printed Name</p> <p>chms@lonquist.com Email Address</p> <p>* SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>6/5/2017 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>23572 Certificate Number</p>
--	--

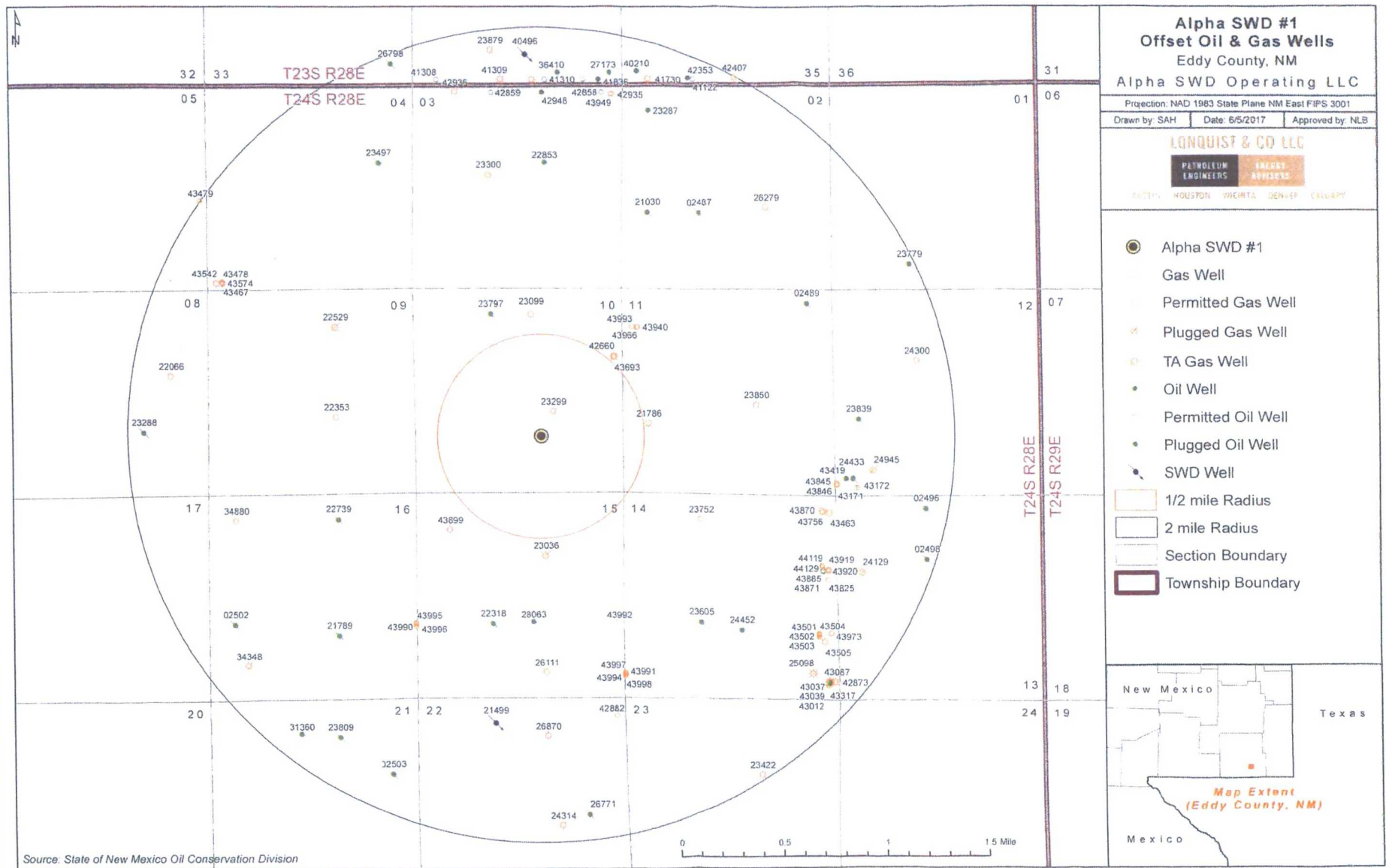
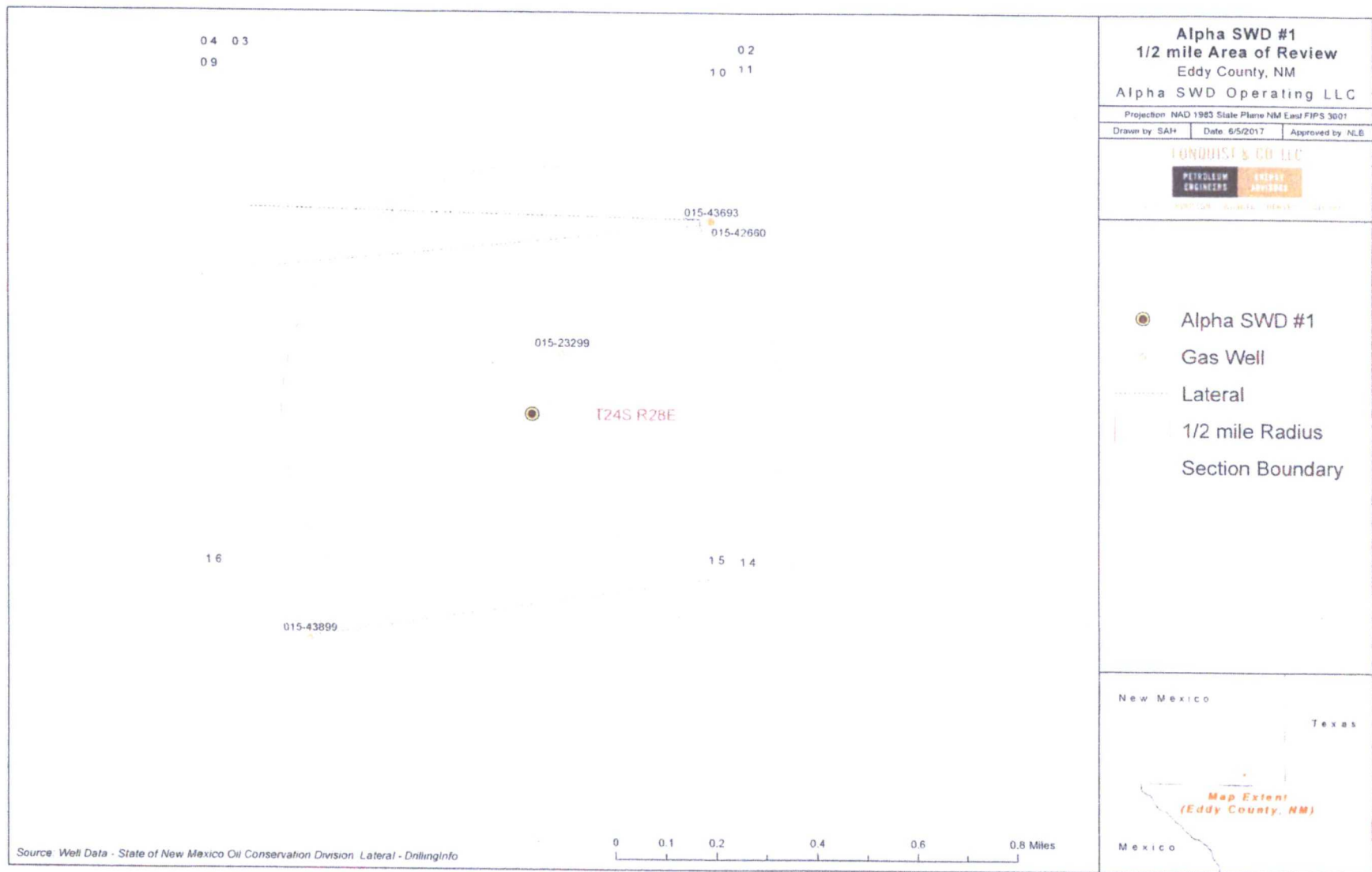
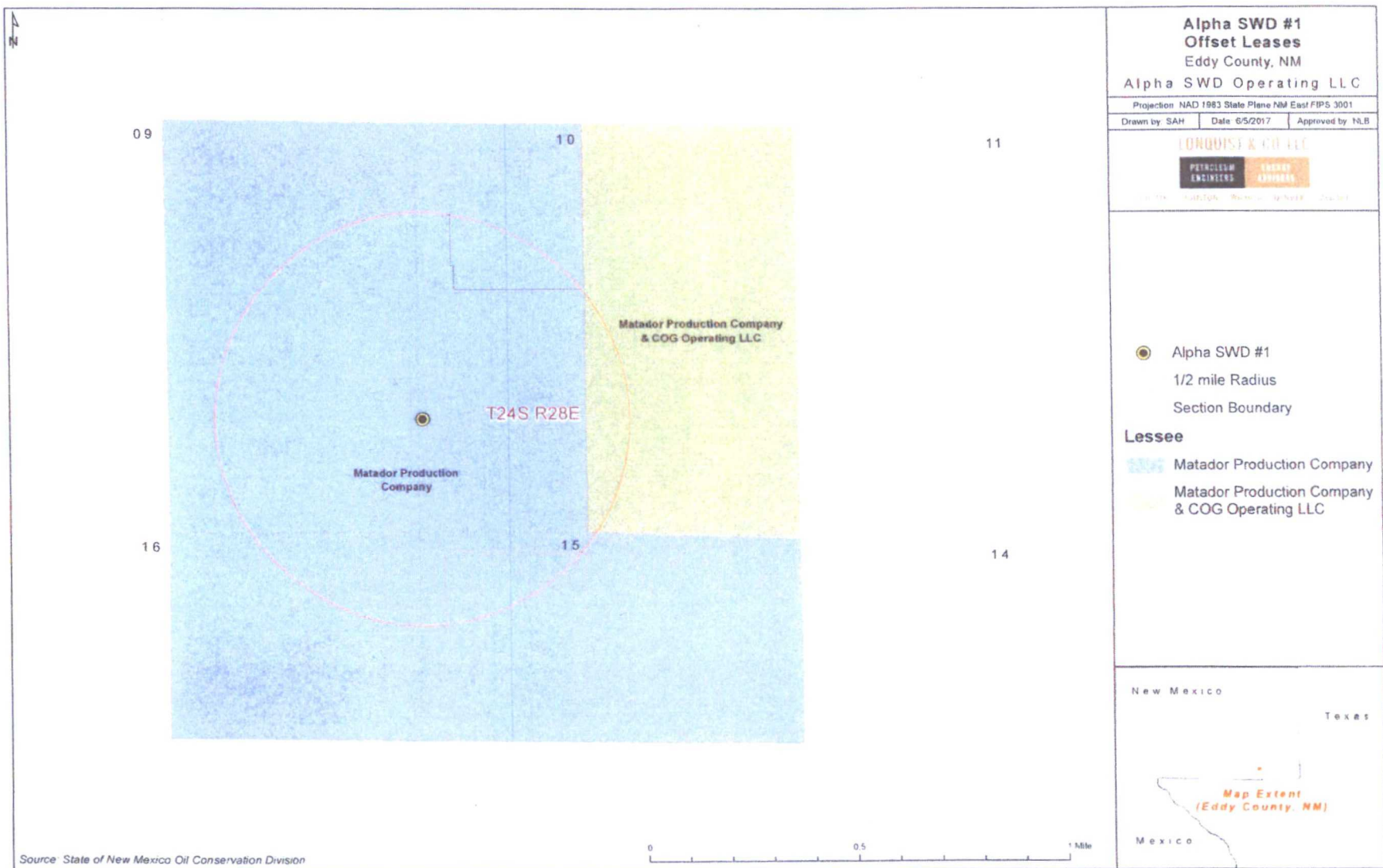


EXHIBIT B



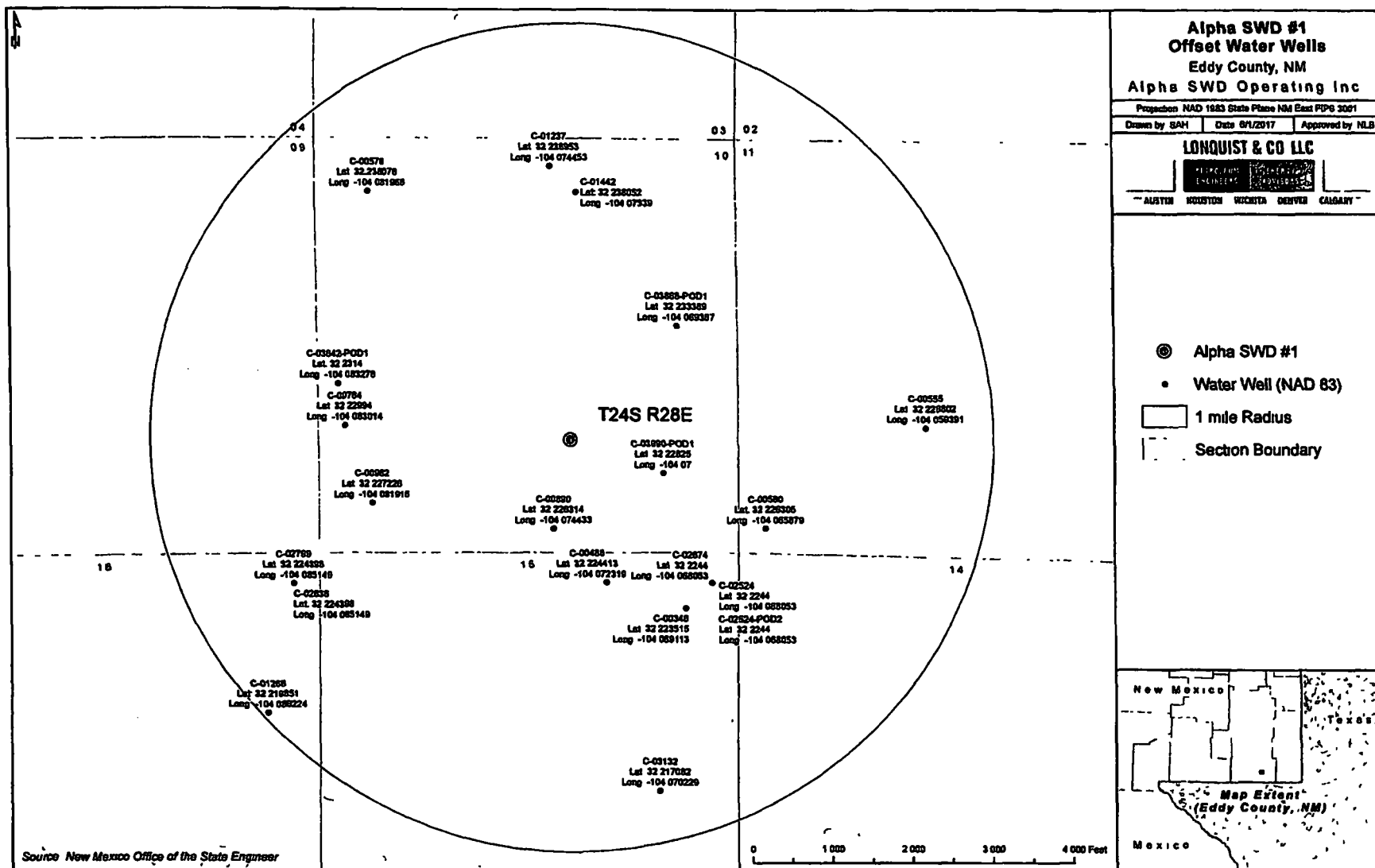
Half-Mile AOR
Alpha SWD #1

API (30-015-)	Well Name	Well Type	Status	Operator	TD (TVD)	Location	Date Drilled
23299	KIRKES COM #001	Gas	Active	MATADOR PRODUCTION COMPANY	12,800	J-10-24S-28E	4/28/1980
42660	GUITAR 10 24 28 RB #202H	Gas	Active	MATADOR PRODUCTION COMPANY	9,475	H-10-24S-28E	12/3/2014
43693	GUITAR 10 24 28 RB #222H	Gas	Active	MATADOR PRODUCTION COMPANY	10,238	H-10-24S-28E	4/24/2016
43899	ANNE COM 15 24S 28E RB #221H	Gas	Active	MATADOR PRODUCTION COMPANY	10,614	D-15-24S-28E	9/26/2016



-Alpha SWD No. 1 Notice List-			
Notice	Address	Phone Number	Date Noticed
Oil Conservation Division District IV	1220 South St Francis Drive, Santa Fe, NM 87505	(505) 476-3440	6/7/2017
Oil Conservation Division District II	811 S First St, Artesia, NM 88210	(575) 748-1283	6/7/2017
Mr James N Phillips and Mr & Mrs James R Phillips	PO Box 148, Malaga, NM 88263		6/6/2017
COG Operating LLC	One Concho Center, 600 W Illinois Ave, Midland, TX 79701		6/6/2017
Matador Production Company	One Lincoln Center, 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240		6/6/2017

Alpha SWD 01: Offici Produced Water Analysis Wellbore																			
wellbore	well	latitude	longitude	section	depth	depth	depth	depth	depth	depth	depth	depth	depth	depth	depth	depth	depth	depth	depth
VALANCERO 17 FEDERAL COM 000114	0001140101	25 221847N	104 206344W	17243	278	A	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000
SERRANO 18 FEDERAL 000114	0001140101	25 221847N	104 206344W	17243	278	M	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000
SERRANO 19 FEDERAL 000114	0001140101	25 221847N	104 206344W	17243	278	M	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000



This legal notice will appear in the Carlsbad Current-Argus on Tuesday, June 6, 2017, and run in the paper for one day. The affidavit of publication will be forwarded to the New Mexico Oil Conservation Division upon receipt.

Legal Notice

Alpha SWD Operating LLC, 4436 Sterling Ln, Plano, Texas 75093 is filing Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division for administrative approval for its salt water disposal well Alpha SWD No. 1. The proposed well will be located 1,457' FSL & 2,093' FEL in Section 10, Township 24S, Range 28E in Eddy County, New Mexico. Disposal water will be sourced from area production, and will be injected into the Siluro-Devonian Formation (determined by offset log analysis) through an open hole completion between a maximum applied for top of 14,000 feet to a maximum depth of 15,200 feet. The maximum surface injection pressure will not exceed 2,800 psi with a maximum rate of 32,000 BWPD. Interested parties opposing the action must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days. Additional information can be obtained from the applicant's agent, Lonquist & Co., LLC, at (512) 600-1764.

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
8111 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address ALPHA SWD OPERATING LLC 4436 STERLING LN PLANO, TX 75093		OGUID Number 372180
		API Number 30-015-44237
Property Code 317792	Property Name ALPHA SWD	Well No 1

7 Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	NS Line	Feet From	E/W Line	County
J	10	24S	28E		1,457	SOUTH	2,093	EAST	EDDY

8 Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	NS Line	Feet From	E/W Line	County

9 Pool Information

Pool Name SWD, Sahuaro-Devonian	Pool Code 96101
---	---------------------------

Additional Well Information

11 Work Type N	12 Well Type SWD	13 Cable/Rotary R	14 Lease Type Private	15 Ground Level Elevation 3,013'
16 Multiple N	17 Proposed Depth 15,200'	18 Formation Sahuaro-Devonian	19 Contractor TBD	20 Spud Date ASAP
Depth to Ground water 25'		Distance from nearest fresh water well 500'		Distance to nearest surface water 2300'

☒ We will be using a closed-loop system in lieu of lined pits

21 Proposed Casing and Cement Program


Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	26"	20"	94 lb/ft	600'	1,420	Surface
Intermediate	17 5"	13 3/4"	68 lb/ft	2,600'	1,465	Surface
Production	12 25"	9 625"	47 lb/ft	9,700'	1,840	Surface
Prod Liner	8 5"	7 625"	42 8 lb/ft	9,400' - 14,000'	370	9,400'
Tubing	N/A	5 5"	17 lb/ft	13,950'	N/A	N/A

Casing/Cement Program: Additional Comments

See attached schematic

22 Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Hydraulic Blinds, Pipe	5,000 psi	8,000 psi	TBD - Schaffer/Cameron

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable Signature: 		OIL CONSERVATION DIVISION	
Printed name: Chris Weyand		Approved By:	
Title: Consulting Engineer		Title:	
E-mail Address: chris@lonquist.com		Approved Date:	Expiration Date:
Date: June 6, 2017	Phone: 512-600-1764	Conditions of Approval Attached	

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Monday, June 12, 2017 4 24 PM
To: 'chris@lonquist.com', 'Steve Pattee'
Cc: Jones, William V, EMNRD, Goetze, Phillip, EMNRD
Subject: Alpha SWD Operating, LLC Alpha SWD Well No 1

Steve

Your application that was received on June 12, 2017 will not be placed into the administrative application review process

The following information is required

- Return receipt for surface owner
- Return receipt for operator of record,
- Affidavit of publication
- Signed statement from either a geologist or engineer that there is no connection between groundwater and injection interval (a signed statement from the form C-108)

If the required information is not received within 10-days, your application will be cancelled

Michael McMillan
1220 South St Francis
Santa Fe, New Mexico
505-476-3448
Michael mcmillan@state.nm.us

<p>Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>Article Addressed to:</p> <p>New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division District II 811 S First Street Alamogordo New Mexico 88210</p> <p>9590 9402 2913 7094 7233 55</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9660</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>	<p>Article Addressed to:</p> <p>New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division District IV 1220 South Street Francis Drive Santa Fe New Mexico 87505</p> <p>9590 9403 0983 5223 5486 80</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9677</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>	<p>Article Addressed to:</p> <p>Mr James N Phillips & Mrs James R Phillips P O Box 148 Malaga New Mexico 88263</p> <p>9590 9403 0983 5223 5486 84</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9707</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>	<p>Article Addressed to:</p> <p>COG Operating, LLC One Concho Center 600 W Illinois Avenue Midland Texas 79701</p> <p>9590 9403 0983 5223 5486 87</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9681</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>
<p>Article Addressed to:</p> <p>Matador Production Company One Lincoln Center 500 LBJ Freeway Suite 1500 Dallas, Texas 75240</p> <p>9590 9403 0983 5223 5486 84</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9691</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>	<p>Article Addressed to:</p> <p>Mr James N Phillips & Mrs James R Phillips P O Box 148 Malaga New Mexico 88263</p> <p>9590 9403 0983 5223 5486 84</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9707</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>	<p>Article Addressed to:</p> <p>Mr James N Phillips & Mrs James R Phillips P O Box 148 Malaga New Mexico 88263</p> <p>9590 9403 0983 5223 5486 84</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9707</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>	<p>Article Addressed to:</p> <p>COG Operating, LLC One Concho Center 600 W Illinois Avenue Midland Texas 79701</p> <p>9590 9403 0983 5223 5486 87</p> <p>Article Number (Transfer from service label) 7015 1660 0000 4377 9681</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6003</p>

Affidavit of Publication

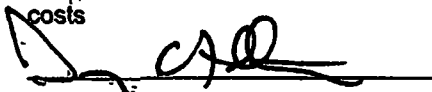
State of New Mexico,
County of Eddy, ss

Danny Fletcher, being first duly
sworn, on oath says

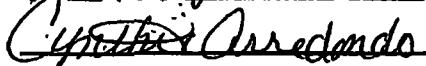
That he is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county, that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published, that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit

June 6 2017

That the cost of publication is \$70.15
and that payment thereof has been
made and will be assessed as court
costs

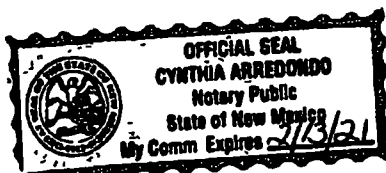


Subscribed and sworn to before me
this 7 day of June, 2017



My commission Expires 2/13/21

Notary Public



June 6, 2017
Legal Notice
Alpha SWD Operating
LLC, 4436, Sterling Ln,
Palo, Texas, 75053, is
filing Form C-108 (Ap-
plication for Authori-
zation to Inject) with
the New Mexico Oil
Conservation Division
for administrative ap-
proval for its salt water
disposal well Alpha
SWD No. 1. The propo-
sed well will be lo-
cated: T. 45 N., R. 24 S.,
E. 10, Township 45N,
Range 24S, in Eddy
County, New Mexico.
Disposal water will be
sourced from a area
production and will
be injected into the
Siluro-Devonian For-
mation (determined
by offset log analysis)
through an open hole
completion between a
maximum depth of
top of 14,000 feet to a
maximum depth of
15,200 feet. The maxi-
mum surface injection
pressure will not ex-
ceed 2,800 psi with a
maximum rate of
32,000 BOPD. Inter-
ested parties oppos-
ing the action must
file objections or re-
quests for a hearing
with the Oil Conserva-
tion Division, 1220
South St. Francis
Drive, Santa Fe, New
Mexico, 87505, within
15 days. Additional in-
formation can be ob-
tained from the appli-
cant's agent, Uniquist
& Co., LLC, at (512)
600-1754 or 214-221-1111.

IX Proposed Stimulation Program

No proposed stimulation program

X Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI Chemical Analysis of Fresh Water Wells

Cardinal Laboratories in Hobbs, New Mexico was contracted to obtain water samples from fresh water wells within 1 mile and provide chemical analysis of the samples. It was determined that all wells within the area had been plugged or were not operational.

XII Affirmative Statement of Examination of Geologic and Engineering Data

Based on the available engineering and geologic data we find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Cheryl W. [Signature]
6/19/2017



New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

POD Number

Q64 Q16 Q4 Sec Tws Rng

X

Y

C 03824 POD1

4 1 2 16 24S 28E

585770

3565578

Driller License: 1566

Driller Company: ABE DYCK PUMPING SERVICE

Driller Name: DYCK, ABE

Drill Start Date: 01/19/2015

Drill Finish Date: 03/02/2015

Plug Date:

Log File Date: 05/26/2015

PCW Rcv Date:

Source: Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield: 300 GPM

Casing Size: 12 00

Depth Well: 290 feet

Depth Water: 60 feet

Water Bearing Stratifications:**Top Bottom Description**

56 101 Sandstone/Gravel/Conglomerate

101 150 Shale/Mudstone/Siltstone

150 187 Sandstone/Gravel/Conglomerate

187 201 Other/Unknown

201 290 Shale/Mudstone/Siltstone

Casing Perforations:**Top Bottom**

0 290

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

6/27/17 1 57 PM

POINT OF DIVERSION SUMMARY



C-108 Review Checklist:

Received 6/14/2017 Add Request 6/14/2017 Reply Date Suspended [Ver 15]ORDER TYPE WFX / PMX / SVD Number Order Date Legacy Permits/Orders Well No 1 Well Name(s) Alpha-SunAPI 30-0 15-44237 Spud Date TBD New or Old N (UIC Class II Primacy 03/07/1982)Footages 1457 FSL 2052 FSL Lot or Unit 5 Sec 10 Tsp 24S Rge 28E County EddyGeneral Location 3.1 mile N1/4 Sec 10, T24S, R28E Pool Sun-Denman-Silvan Pool No 97865BLM 100K Map Carlsbad Operator Alpha-Sun Operating LLC OGRID Contact Chris Ward, AsstCOMPLIANCE RULE 59 Total Wells 1 Inactive 0 Fincl Assur OK Compl Order? 4A IS 59 OK? X Date 6-27-2017WELL FILE REVIEWED ✓ Current Status ProposedWELL DIAGRAMS NEW Proposed ✓ or RE-ENTER Before Conv 0 After Conv 0 Logs in Imaging N/APlanned Rehab Work to Well

Well Construction Details				Sizes (in)	Setting	Cement	Cement Top and Determination Method
				Borehole / Pipe	Depths (ft)	Sx or Cf	
Planned <u> </u> or Existing <u> </u> Surface				26"/20"	600'	1420	Surface / Visca
Planned <u> </u> or Existing <u> </u> Interm/Prod				17 1/2"/13 3/8"	2600	1465	Surface / Visca
Planned <u> </u> or Existing <u> </u> Interm/Prod				12 1/4"/6 5/8"	9700	1840	Surface / Visca
Planned <u> </u> or Existing <u> </u> Prod/Liner				7 1/8"/4 1/2"	13450	370	9400 / LBL
Planned <u> </u> or Existing <u> </u> Liner							
Planned <u> </u> or Existing <u> </u> OH/PERF				14000/15000			
						In Length	
							12000
Injection Lithostratigraphic Units				Depths (ft)	Injection or Confining Units	Completion/Operation Details	
Adjacent Unit Litho Struc Por					DV	Drilled TD <u>15200</u> PBTD <u> </u>	
Confining Unit Litho Struc Por					21400	NEW TD <u> </u> NEW PBTD <u> </u>	
Proposed Inj Interval TOP						NEW Open Hole <u> </u> or NEW Perfs <u> </u>	
Proposed Inj Interval BOTTOM						Tubing Size <u>4 1/2"</u> Inter Coated? <u> </u>	
Confining Unit Litho Struc Por						Proposed Packer Depth <u>1355'</u>	
Adjacent Unit Litho Struc Por						Min Packer Depth <u>1350'</u> (100-ft limit)	
						Proposed Max Surface Press <u>2800</u> psi	
						Admin Inj Press <u>2800</u> (0.2 psi per ft)	
AOR Hydrologic and Geologic Information							
POTASH R-111-P <u>MA</u> Noticed? <u> </u> BLM Sec Ord <u> </u> WIPP <u> </u> Noticed? <u> </u> Salt/Salado T <u> </u> NW Cliff House fm <u>MA</u>							
FRESH WATER Aquifer <u>Quaternary</u> Max Depth <u>140</u> HYDRO AFFIRM STATEMENT By <u>Qualified Person</u> <u> </u>							
NMOSE Basin <u>Carlsbad</u> CAPITAN REEF thru adj <u>NA</u> No Wells within 1-Mile Radius? <u> </u> FW Analysis <u> </u>							
Disposal Fluid Formation Source(s) <u>Redhorse</u> Analysis? <u> </u> On Lease <u> </u> Operator Only <u> </u> or Commercial <u> </u>							
Disposal Int Inject Rate (Avg/Max BWPD) <u>25K/32K</u> Protectable Waters? <u>MA</u> Source <u> </u> System <u>Closed</u> or Open <u> </u>							
HG Potential Producing Interval? <u>MA</u> Formerly Producing? <u> </u> Method Logs/DST/P&A/Other <u>regional</u> 1/2-Mile Radius Pool Map <u> </u>							
AOR Wells: 1/2-M Radius Map? <u> </u> Well List? <u> </u> Total No Wells Penetrating Interval <u> </u> Horizontals? <u> </u>							
Penetrating Wells No Active Wells <u> </u> Num Repairs? <u> </u> on which well(s)? <u> </u> Diagrams? <u> </u>							
Penetrating Wells No P&A Wells <u> </u> Num Repairs? <u> </u> on which well(s)? <u> </u> Diagrams? <u> </u>							
NOTICE Newspaper Date <u>June 6, 2010</u> Mineral Owner <u> </u> Surface Owner <u>Phillips</u> N Date <u> </u>							
RULE 28 7(A) Identified Tracts? <u> </u> Affected Persons <u>CUB, Matadon</u> N Date <u>6-06-2017</u>							

Order Conditions: Issues