SWD-1853

Revised March 23, 2017

RECEIVED: 11/14/18 REVIEWER: TYPE: SWD APP NO: 1832551660

| NEW MEXICO OIL CON: - Geological & Engine 1220 South St. Francis Drive, | eering Bureau – |
|--|--|
| ADMINISTRATIVE APPLI | |
| THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE REGULATIONS WHICH REQUIRE PROCESSING | |
| Applicant: 3Bear Field Service Well Name: Kodiak SWD No. 1 Pool: SWD: Silurian-Devonian | API: |
| SUBMIT ACCURATE AND COMPLETE INFORMATION I | |
| 1) TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Ded NSL NSP (PROJECT AREA) | |
| B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC DTB PLC PC [11] Injection – Disposal – Pressure Increase – WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue. Application requires published notice D. Notification and/or concurrent approval E. Notification and/or concurrent approval F. Surface owner G. For all of the above, proof of notification H. No notice required | OLS OLM - Enhanced Oil Recovery |
| 3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and complet understand that no action will be taken on this approval in the complet understand that no action will be taken on this approval in the complete understand that no action will be taken on this approval in the complete understand the complete understa | e to the best of my knowledge. I also |
| Note: Statement must be completed by an individ | ual with managerial and/or supervisory capacity. |
| | November 12, 2018 |
| Tyler Moehlman – Agent of 3Bear Field Service | Date |
| Print or Type Name | (713) 987-4144 |
| 13/1/ | Phone Number |
| 0100- | Tyler.moehlman@lonquist.com |
| Signature | e-mail Address |

3BEAR FIELD SERVICE [372603] SW-1853

WELL: Kodiak SWD No. 1

"M" SEC 8 195 33 E LEA COUNTY

Surface Owner: Smith Kenneth, INC.

Newspapor Affidavit: Pub. 11/08/18 Hobbs Sun News

NO Affidant for marted notros !

Lowe, Leonard, EMNRD

From:

Lowe, Leonard, EMNRD

Sent:

Monday, November 26, 2018 1:46 PM

To:

'Tyler.moehlman@lonquist.com'

Subject:

SWD Application: 3 Bear Field Serivce, KODIAK SWD NO. 1

Importance:

High

Tyler Moehlman,

Good afternoon.

Upon initial review of your submitted SWD application for the above Subject well.

You have not provided a proof of affidavit for all your affected parties identified within your application. All your "green cards" are not signed and dated for.

Also, please provide your produce water sample data.

Your application is NOT COMPLETE at this time.

Please provide.

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004

Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/

PETROLEUM ENGINEERS

ENERGY ADVISORS

AUSTIN HOUSTON WICHITA DENVER CALGARY

November 12, 2018

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: KODIAK 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 3Bear Field Service, LLC's (3Bear") Kodiak SWD No. 1. In addition, Forms C-101 and C-102 have also been included with this package. Notices have been sent to offset, operators, leaseholders and the surface owner. Proof of notice will be sent to the OCD upon receipt.

Any questions should be directed towards 3Bear Field Service, LLC's agent Lonquist & Co., LLC.

Regards,

Tyler Moehlman Petroleum Engineer Longuist & Co., LLC

(713) 987-4144

tyler.moehlman@longuist.com

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

| 1. | Application qualifies for administrative approval? |
|-------|---|
| п. | OPERATOR: 3Bear Field Services, LLC |
| | ADDRESS: 415 W. Wall St., Suite 1212 |
| | CONTACT PARTY: Kevin Burns PHONE: 432-686-2973 |
| 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. Suc data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schemati of any plugged well illustrating all plugging detail. |
| VII. | Attach data on the proposed operation, including: |
| | Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, 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: Tyler F. Moehlman TITLE: Consulting Engineer - Agent for 3Bear Field Service |
| | SIGNATURE: |
| * | E-MAIL ADDRESS: tyler.moehlman@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: |
| | |

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.

INJECTION WELL DATA SHEET

OPERATOR: 3Bear Field Services, LLC

WELL NAME & NUMBER: Kodiak SWD No. 1

WELL LOCATION:

Side 1

736 FSL & 771' FWL FOOTAGE LOCATION

WELLBORE SCHEMATIC

<u>M</u> UNIT LETTER <u>8</u> SECTION 19S TOWNSHIP 33E RANGE

WELL CONSTRUCTION DATA

Conductor Casing

Hole Size: 26.000"

Casing Size: 20.00" or 361 ft³

Cemented with: 328 sacks
Top of Cement: surface

Method Determined: circulation

Surface Casing

Hole Size: 17.500"

Casing Size: 13.375"

Cemented with: 1,374 sacks.

or 1.752 ft²

Top of Cement: surface

Method Determined: circulation

Production Casing

Hole Size: 12.250"

Casing Size: 9.625"

Cemented with: 2.079 sacks

or 4.548 ft²

Top of Cement: surface

Method Determined: circulation

Liner

Hole Size: 8.500"

Casing Size: 7.625"

Cemented with: 703 sacks,

or 850 ft³

Top of Cement: 7,440'

Method Determined: calculation

Total Depth: 14,751'

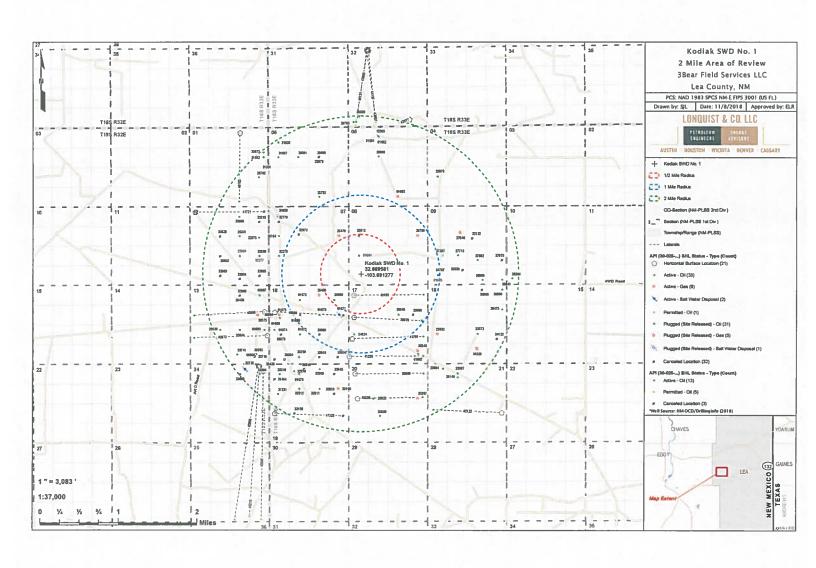
Injection Interval

14,751 feet to 16,500 feet

(Open Hole)

INJECTION WELL DATA SHEET

| | INDECTION WEDE DATA DIEEET |
|-----------------------------|--|
| | Tubing Size: 5.5", 17 lb/ft, HCL-80, BTC from 0' - 14,650' |
| | Lining Material: <u>Duoline</u> |
| r and Full Inconel 925 Trir | Type of Packer: 7-5/8" X 5-1/2" Permanent Packer with High Temperature Ele |
| | Packer Setting Depth: 14,650' |
| | Other Type of Tubing/Casing Seal (if applicable): |
| | Additional Data |
| | Is this a new well drilled for injection? |
| | If no, for what purpose was the well originally drilled? |
| | Name of the Injection Formation: <u>Devonian</u> , <u>Fusselman</u> , <u>Montoya</u> (<u>Top 1</u>) |
| l Code: 97869) | 3. Name of Field or Pool (if applicable): <u>SWD: Silurian-Devonian Disposa</u> |
| | Has the well ever been perforated in any other zone(s)? List all such perforance intervals and give plugging detail, i.e. sacks of cement or plug(s) used. |
| | No, new drill. |
| pposed | Give the name and depths of any oil or gas zones underlying or overlying injection zone in this area: |
| | Yates-Seven Rivers: 3,487' Delaware: 5,714' Bone Spring: 7,723' Wolfcamp: 10,771' Strawn: 12,093' Atoka: 12,470' |
| | 4. Has the well ever been perforated in any other zone(s)? List all such perforance 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 injection zone in this area: Yates-Seven Rivers: 3,487' Delaware: 5,714' Bone Spring: 7,723' Wolfcamp: 10,771' Strawn: 12,093' |



Kodiak SWD No. 1 1 Mile Area of Review List

| API (30-025) | WELL NAME | WELL TYPE | STATUS | OPERATOR | TVD (FT.) | LATITUDE (NAD83 DD) | LONGITUDE (NADES DO) | DATE DRILLED | PIELD |
|--------------|----------------------------------|-----------|--------|--------------------------------|-----------|---------------------|----------------------|--------------|--|
| 01664 | PRE-ONGARD WELL #001 | 0 | P | PRE-ONGARD WELL OPERATOR | 3591 | 32.6729507000 | -103.691658000 | 1/1/1900 | |
| 01665 | PRE-ONGARD WELL #001 | 0 | P | PRE-ONGARD WELL OPERATOR | 3610 | 32.6693077000 | -103.674514800 | 1/1/1900 | |
| 01669 | FEDERAL 18 #002 | 0 | Р | MACK ENERGY CORP | 3275 | 32.6620750000 | -103.704544100 | 12/31/9999 | [59490] TONTO, YATES-SEVEN RIVERS, WEST |
| 01670 | PRE-ONGARD WELL #003 | 0 | P | PRE-ONGARD WELL OPERATOR | 3283 | 32.6620712000 | -103.700271600 | 1/1/1900 | [59490] TONTO, YATES-SEVEN RIVERS, WEST |
| 01671 | FEDERAL 18 #004 | 5 | A | COG OPERATING LLC | 3450 | 32.6620674000 | -103.695983900 | 5/4/1995 | [39490] TONTO, YATES-SEVEN RIVERS, WEST; [96131] SWD, SEVEN RIVERS |
| 01673 | PRE-ONGARD WELL #006 | 0 | P | PRE-ONGARD WELL OPERATOR | 3330 | 32.6647949000 | -103.704528800 | 1/1/1900 | |
| 20699 | PRE-ONGARD WELL HOOS | 0 | P | PRE-ONGARD WELL OPERATOR | 3330 | 32.5647911000 | -103.697044400 | 1/1/1900 | |
| 23668 | PRE-ONGARD WELL HOOS | 0 | С | PRE-ONGARD WELL OPERATOR | 0 | 32.6584462018 | -103.700310356 | 12/31/9999 | |
| 24624 | PRE-ONGARD WELL #001 | 0 | P | PRE-ONGARD WELL OPERATOR | 3500 | 32.6584473000 | -103.692771900 | 1/1/1900 | |
| 25470 | INEXCO AHY FEDERAL #001 | G | A | EOG Y RESOURCES, INC. | 13649 | 32.6765785000 | -103.695945700 | 12/31/9999 | [73000] BUFFALO, PENN (GAS) |
| 25912 | PRE-ONGARD WELL #004 | 0 | P | PRE-ONGARD WELL OPERATOR | 13700 | 32.6765747000 | ·103.691650400 | 1/1/1900 | [59475] TONTO, BONE SPRING |
| 26469 | PRE-ONGARD WELL #001 | G | P | PRE-ONGARD WELL OPERATOR | 13670 | 32.6656990000 | -103.700264000 | 1/1/1900 | [73000] BUFFALO, PENN (GAS) |
| 26799 | NELLIS C FEDERAL GAS COM #001 | G | A | LEGACY RESERVES OPERATING, LP | 13701 | 32.6765671000 | -103.678779600 | 4/28/1980 | [73000] BUFFALO, PENN (GAS) |
| 29880 | PRE-ONGARD WELL #001 | 0 | С | PRE-ONGARD WELL OPERATOR | 0 | 32.6620510707 | -103.679911028 | 12/31/9999 | |
| 30546 | HUDSON FEDERAL #001 | 0 | P | YATES ENERGY CORP | 13720 | 32.6620560000 | -103.683113100 | 12/31/9999 | [27210] GEM, WOLFCAMP, NORTH |
| 32973 | FEDERAL 7 #004 | 0 | C | RAY WESTALL | 0 | 32.6768552258 | -103.704718888 | 12/31/9999 | |
| 34707 | KUDU 9 FEDERAL COM KOO1 | _ G | A | CHISHOLM ENERGY OPERATING, LLC | 13770 | 32.6693077000 | -103.674514800 | 11/3/1999 | [73000] BUFFALO, PENN (GAS); [77370] GEM, MORROW (GAS) |
| 39870 | SPYGLASS 17 FEDERAL COM #001H | 0 | Α | MEWBOURNE OIL CO | 9966 | 32.6616364000 | -103.692764300 | 1/1/2011 | [59475] TONTO, BONE SPRING |
| 40185 | SPYGLASS 17 FEDERAL #002H | 0 | A | MEWBOURNE OIL CO | 9973 | 32.6656914000 | -103.692749000 | 8/2/2011 | [59475] TONTO, BONE SPRING |
| 40589 | NORTE 18 FEDERAL #001C | 0 | С | MEWBOURNE OIL CO | 0 | 32.6626854000 | -103.709953300 | 12/31/9999 | (59475) TONTO, BONE SPRING |
| 41701 | EXCAUBUR 17 LI FEDERAL COM #001H | 0 | A | MEWBOURNE OIL CO | 9967 | 32,6576767000 | ·103.693168600 | 7/2/2014 | 59475 TONTO, BONE SPRING |

Kodiak SWD No. 1 - 1 Mile Area of Review List NM-OCD (2018)



3Bear Field Services, LLC

Kodiak SWD No. 1

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

| Well information | | | | |
|------------------|---------------------|--|--|--|
| Lease Name | Kodiak SWD | | | |
| Well No. | 1 | | | |
| Location | S-8 T-19S R-33E | | | |
| Footage Location | 736' FSL & 771' FWL | | | |

2.

a. Wellbore Description

| Casing Information | | | | | | | | |
|--------------------|-----------|--------------|----------------|------------------|--|--|--|--|
| Туре | Conductor | Intermediate | Intermediate 2 | Production Liner | | | | |
| OD | 20" | 13-3/8" | 9-5/8" | 7-5/8" | | | | |
| WT | 0.876" | 0.76" | 0.79" | 0.5" | | | | |
| ID | 19.124" | 12.615" | 8.835" | 6.625" | | | | |
| Drift ID | 18.936" | 12.459" | 8.679" | 6.5" | | | | |
| COD | 21" | 14.375" | 10.625" | 7.625" | | | | |
| Weight | 94 ib/ft | 54.5 lb/ft | 40 lb/ft | 39 lb/ft | | | | |
| Grade | H-40 STC | J-55 BTC | HCL-80 BTC | P-110 UFJ | | | | |
| Hole Size | 26" | 17.5" | 12.25" | 8.5" | | | | |
| Depth Set | 120′ | 1,580' | 7,740' | 7,440'-14,751' | | | | |

b. Cementing Program

| | | Cement Informa | tion | |
|-----------------------|-------------------------|-------------------------|---|--|
| Casing String | Conductor | Intermediate 1 | Intermediate 2 | Liner |
| Lead Cement | Class H | HalCem | Stage 1: NeoCem Stage 2: NeoCem Stage 3: ExtendaCem | VERSACEM w/ gas migration control additives |
| Lead Cement Volume | 328 sks | 1,017 sks | Stage 1: 375 sks Stage 2: 782 sks Stage 3: 375 sks | 703 sks |
| Tail Cement | <u>-</u> | HalCem | Stage 1: HalCem Stage 2: HalCem | Halcem |
| Tail Cement Volume | - | 357 sks | Stage 1: 500 sks Stage 2: 47 sks | |
| Cement Excess | 100% | 100% | 100% | 50% |
| TOC | Surface | Surface | Surface | 7,340′ |
| Method | Circulate to Surface | Circulate to Surface | Circulate to Surface | Logged |

3. Tubing Description

| OD | 5.5" |
|--------------|------------|
| WT | 0.304" |
| ID | 4.892" |
| Drift ID | 4.767" |
| Weight | 17 lb/ft |
| Grade | HCL-80 BTC |
| Depth Set | 0'-14,650' |

Tubing will be lined with Duoline.

4. Packer Description

7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer and Full Inconel 925 trim

B. Completion Information

1. Injection Formation: Devonian, Fusselman, Montoya (Top 100')

2. Gross Injection Interval: 14,751' - 16,500'

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 |
|--------------------|---------|
| Yates-Seven Rivers | 3,487' |
| Delaware | 5,714' |
| Bone Spring | 7,723' |
| Wolfcamp | 10,771' |
| Strawn | 12,093' |
| Atoka | 12,470' |

VI. Area of Review

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

VII. Proposed Operation Data

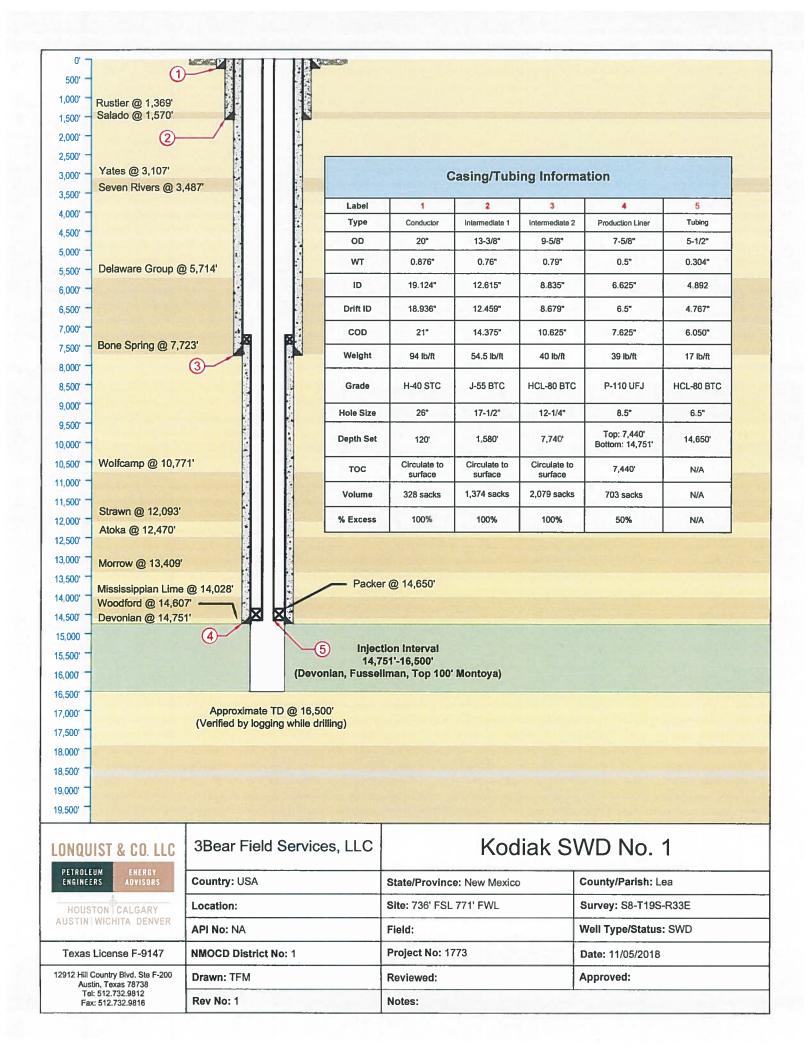
1. Proposed Daily Rate of Fluids to be Injection:

Average Volume: 20,000 BPD Maximum Volume: 25,000 BPD

- 2. Closed System
- 3. Anticipated Injection Pressure:

Average Injection Pressure: 2,213 PSI (surface pressure) Maximum Injection Pressure: 2,950 PSI (surface pressure)

- 4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Bone Spring and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Delaware, Bone Spring, Wolfcamp, and Strawn formations.
- 5. The disposal interval is non-productive. No water samples are available from the surrounding area.



VIII. Geological Data

Devonian Formation Lithology:

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 Groups 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.

Fusselman Formation Lithology:

The Silurian/Ordovician Fusselman Formation is stratigraphically below the Wristen Group and is above and separated from the Montoya Formation by the Sylvan Shale. The Sylvan Shale is the lower confining layer for the proposed Kodiak SWD No. 1 well. Fusselman facies include a laminated skeletal wackestone in the upper part and a buildup complex in the lower part composed of ooid and bryozoan grainstones. These grainstones can also be potentially prolific zones for disposal.

Montoya Formation Lithology:

The Montoya Group of Late Ordovician age unconformably overlies the Simpson Group. The Montoya is composed of light gray to medium-dark gray, fine- to medium-crystalline, calcareous dolomite, some units of which are interbedded with shale or dark-gray limestone and some units of which contain white to very light-gray chert. The Montoya carbonate limestone dolomite sequence is dense, impermeable, and non-porous.

A. Injection Zone: Siluro-Devonian Formation

| Formation | Depth |
|--------------------|---------|
| Rustler | 1,369′ |
| Salado | 1,570 |
| Yates | 3,107′ |
| Seven Rivers | 3,487′ |
| Delaware | 5,714' |
| Bone Spring | 7,723′ |
| Wolfcamp | 10,771′ |
| Strawn | 12,093' |
| Atoka | 12,470′ |
| Morrow | 13,409' |
| Mississippian Lime | 14,028' |
| Woodford | 14,607′ |
| Devonian | 14,751' |

B. Underground Sources of Drinking Water

Within 1-mile of the proposed Kodiak SWD No. 1 location, there is one water well. The water well has been reported of having a depth of 110 ft. Water wells in the surrounding area have an average depth of 265 ft and an average water depth of 182 ft.

IX. Proposed Stimulation Program

No stimulation program planned.

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

Attached is a map of all water wells that exist within one mile of the well location. One water well lies within a 1-mile radius of the Kodiak SWD No. 1. A Water Right Summary from the New Mexico Office of the State Engineer is attached for water well CP-00810-POD1. Water samples for the CP-00810-POD1 were attempted to be retrieved but the sample test was a dry run.

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 (in the proposed Kodiak SWD No. 1) and any underground sources of drinking water.

NAME: Jerry D. Ferguson
SIGNATURE: A THUSA

TITLE: Geologist

DATE: 10/23/2018

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

District IV

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

Form C-101 Revised July 18, 2013

State of New Mexico **Energy Minerals and Natural Resources**

Oil Conservation Division

☐ AMENDED REPORT

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 South St. Francis Dr.

Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

| | | | • | and Address | | | | ² OGRID N 37260 | |
|---|---|---|---|---|--|--|--------------------------------------|------------------------------------|---|
| 3BEAR FIELD SERVICES, LLC 415 W. WALL ST., STE 1212 MIDLAND, TEXAS 79701 | | | | | | | 17-14 | ^{3.} API Nu 30-015-T | mber |
| ^{4.} Property Code 3. Property KODI | | | | | | | | | ^{6.} Well No. |
| | | | | 7. Sur | face Location | n | | V | |
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Lin | County |
| M | 8 | 198 | 33E | | 736 | S | 771 | W | LEA |
| | | | | ⁸ Proposed | Bottom Hol | | | | |
| UL - Lot | Section | Township | Range - | Lot Idn | Feet from | N/S Line | Feet From | E/W Lin | e County |
| Try. | | | | 9. Pool | Information | n | | | |
| | | | | Pool Na | me | | | | Pool Code |
| | | | | SWD; Silurian- | Devonian | | | | 97869 |
| | | | | | Well Inform | nation | | | |
| | k Type V | | 12 Well Type SWD | 13. C | able/Rotary R | | ^{14.} Lease Type Private | 13 | Ground Level Elevation 3,655.32 |
| | ultiple N | | 7. Proposed Depth 16,500' | | rmation usselman, Montoy | /a | 19. Contractor TBD | | ^{20.} Spud Date ASAP |
| Depth | to Ground w | ater | | | arest fresh water w | eli | | Distance to neare | |
| | | | 21. | Proposed Casin | og and Come | nt Drogram | | | |
| | | | | | | ant Frogram | | | |
| Type | | ole Size | Casing Size | Casing Weigh | | Setting Depth | Sacks | of Cement | Estimated TOC |
| Type Conductor Surface | | ole Size 26" 7-1/2" | | Casing Weigh 94 lb/ft | | Setting Depth 120' | | 328 | Surface |
| Conductor | 1 | 26" | Casing Size | Casing Weigh | | Setting Depth | | 328 1,374 | Surface Surface |
| Conductor Surface | 1 1: | 26" 7-1/2" | Casing Size 20" 13-3/8" | Casing Weigh 94 lb/ft 54.5 lb/ft | nt/ft | Setting Depth 120' 1,580' | | 328 | Surface |
| Conductor Surface Production | 1' 1' 8 | 26" 7-1/2" 2-1/4" | Casing Size 20" 13-3/8" 9-5/8" | Casing Weigh 94 lb/ft 54.5 lb/ft 40 lb/ft | nt/ft | Setting Depth 120' 1,580' 7,740' | | 328 1,374 2,079 | Surface Surface Sufrace |
| Conductor Surface Production Liner | 1' 1' 8 | 26" 7-1/2" 2-1/4" | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft | nt/ft | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' | | 328 1,374 2,079 | Surface Surface Sufrace |
| Conductor Surface Productior Liner Tubing | 11 11 8 | 26" 7-1/2" 2-1/4" | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft | nt/ft | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' | | 328 1,374 2,079 | Surface Surface Sufrace |
| Conductor Surface Productior Liner Tubing | 11 11 8 | 26" 7-1/2" 2-1/4" | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft | ram: Additio | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen | | 328 1,374 2,079 | Surface Surface Sufrace |
| Conductor Surface Productior Liner Tubing | 1 1: 8 8 6 cematic. | 26" 7-1/2" 2-1/4" | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog | ram: Additio | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Comment | ts | 328 1,374 2,079 | Surface Surface Sufrace 7,440' |
| Conductor Surface Productior Liner Tubing ee attached sch | 11 11 8 | 26" 7-1/2" 2-1/4" 3-1/2" i-1/2" | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog | ram: Additio | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen | ts | 328 1,374 2,079 703 | Surface Surface Sufrace |
| Conductor Surface Productior Liner Tubing | 1 1 8 8 6 6 cematic. | 26" 7-1/2" 2-1/4" 3-1/2" i-1/2" | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog | ram: Additio | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen on Program Test Pres | ts | 328 1,374 2,079 703 | Surface Surface Sufrace 7,440' Manufacturer |
| Conductor Surface Production Liner Tubing Gee attached sch Double | 1 1 8 8 6 6 cmatic. | 26" 7-1/2" 2-1/4" 3-1/2" inds, Pipe | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog Proposed Blow /orking Pressure 10,000 psi | ram: Additio | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen Test Pres 8,000 p | ssure | 328 1,374 2,079 703 | Surface Surface Surface 7,440' Manufacturer D - Schaffer/Cameron |
| Conductor Surface Production Liner Tubing ee attached sch Double I hereby ce est of my kn further cert | Type Hydrualic/Bl rtify that the the the the the the the the the th | 26" 7-1/2" 2-1/4" 3-1/2" inds, Pipe ine informatied belief. | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22.] We congiven above is truled with 19.15.14.9 | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog Proposed Blow /orking Pressure 10,000 psi ue and complete to | ram: Addition out Prevention the | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen Test Pres 8,000 p | ssure | 328 1,374 2,079 703 | Surface Surface Surface 7,440' Manufacturer D - Schaffer/Cameron |
| Conductor Surface Productior Liner Tubing ee attached sch Double I hereby ce est of my kn further cert 9.15.14.9 (B | Type Hydrualic/Bl rtify that the the the the the the the the the th | 26" 7-1/2" 2-1/4" 3-1/2" inds, Pipe ine informatied belief. | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22.] We congiven above is truled with 19.15.14.9 | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog Proposed Blow /orking Pressure 10,000 psi ue and complete to | ram: Addition out Prevention the | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen Test Pres 8,000 p | ssure | 328 1,374 2,079 703 | Surface Surface Surface 7,440' Manufacturer D - Schaffer/Cameron |
| Conductor Surface Productior Liner Tubing ee attached sch Double I hereby ce est of my kn further cert 9.15.14.9 (Bignature: | Type Hydrualic/Bl rtify that ti owledge an ify that I) NMAC [| inds, Pipe ind belief. have complicity, if applice. | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22.] We congiven above is truled with 19.15.14.9 | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog Proposed Blow /orking Pressure 10,000 psi ue and complete to | ram: Addition out Prevention the | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen Test Pres 8,000 p OIL oved By: | ssure | 328 1,374 2,079 703 | Surface Surface Surface 7,440' Manufacturer D - Schaffer/Cameron |
| Conductor Surface Production Liner Tubing ee attached sch Double I hereby ce est of my kn- further cert 9.15.14.9 (B ignature: | Type Hydrualic/Bl rtify that the sify that I I I NMAC [| 26" 7-1/2" 2-1/4" 3-1/2" i-1/2" i-1/2" inds, Pipe me information belief. thave complied, if applied | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22.] We congiven above is truled with 19.15.14.9 | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog Proposed Blow /orking Pressure 10,000 psi ue and complete to | ram: Addition out Preventing the Approximation of Title: | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen Test Pres 8,000 p OIL oved By: | ssure | 328 1,374 2,079 703 | Surface Surface Surface 7,440' Manufacturer D - Schaffer/Cameron |
| Conductor Surface Production Liner Tubing ee attached sch Double | Type Hydrualic/Bl rtify that the owledge are if y that I i i NMAC [Tyler Moeting Engine | inds, Pipe ind belief. have complix ind self applications. | Casing Size 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22.] We see the seed of | Casing Weight 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft g/Cement Prog Proposed Blow /orking Pressure 10,000 psi ue and complete to | ram: Addition out Preventing the Approximation of Title: | Setting Depth 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Commen Test Pres 8,000 p OIL oved By: | ssure | 328 1,374 2,079 703 TB | Surface Surface Surface 7,440' Manufacturer D - Schaffer/Cameron |

Phone: (505) 476-3460 Fax (505) 476-3462

API Number

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

Pool Name

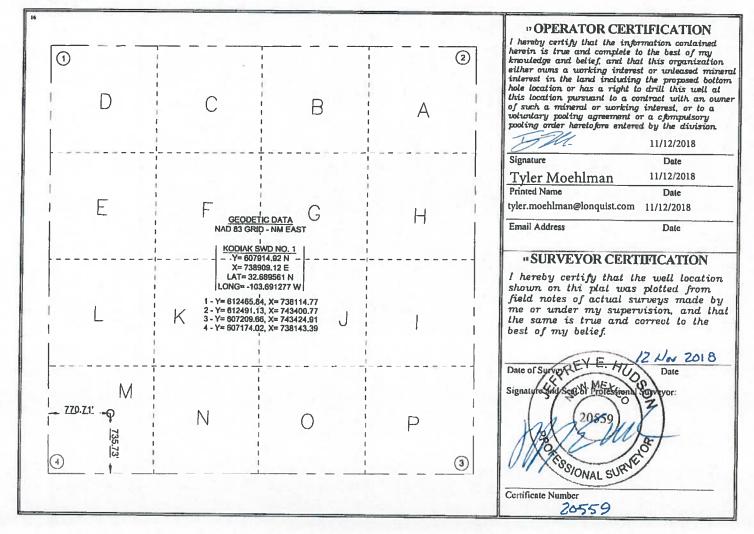
| WELL LOCATION | AND ACREA | GE DEDIC | TION PLAT |
|---------------------|---------------|----------|-----------|
| 11 222 20 01 111011 | ATTIO ATOILLY | | |

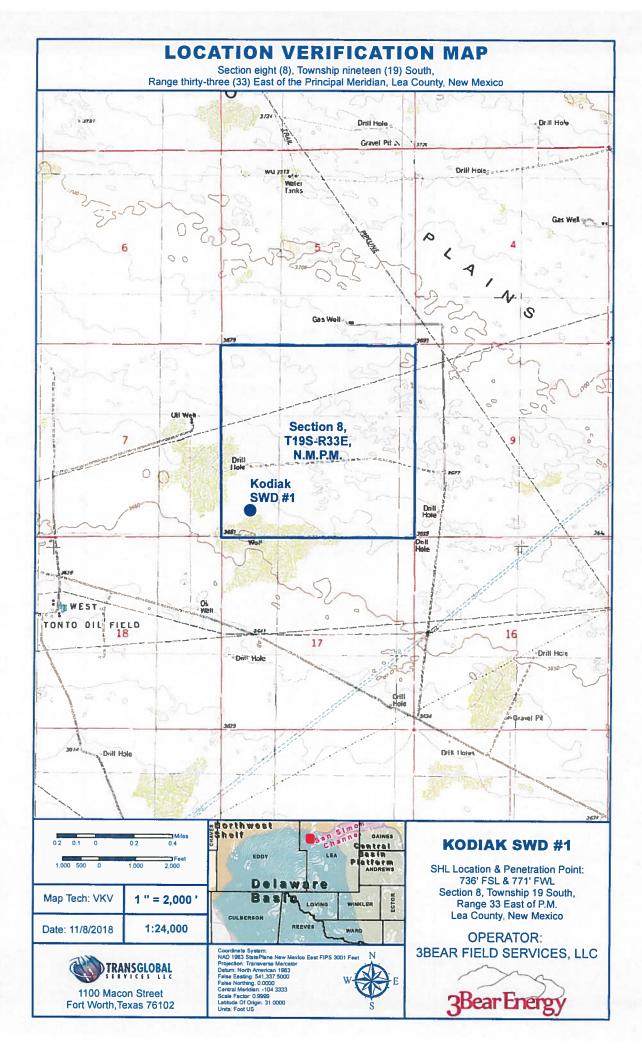
Pool Code

97869

| | 97869 SWD; Silurian-Devoni | | | | | | | | | | |
|---------------------|----------------------------|--------------------------|--|------------|-------------------|--------------------------------|-------------------|---------------|------------|--|--|
| ' Property C | ode | | | | | Well Number #1 | | | | | |
| ' OGRID N 372603 | 17 | | KODIAK SWD Operator Name 3BEAR FIELD SERVICES, LLC | | | | | | | | |
| | | | | | "Surface | Location | | | | | |
| UL or lot no. | Section 8 | Township 19 S | Range 33 E | Lot Idn | Feet from the 736 | North/South line SOUTH | Feet from the 771 | East/West lin | County LEA | | |
| | | | "Bo | ttom H | ole Locatio | on If Differer | it From Su | ırface | | | |
| UL or lot no. | Section | Township Rang | | Lot Idn | Feet from the | Feet from the North/South line | | East/West lin | e County | | |
| Dedicated Acres | 13 Joint o | r Infill ¹⁴ C | onsolidation | Code 15 Or | der No. | | | | | | |

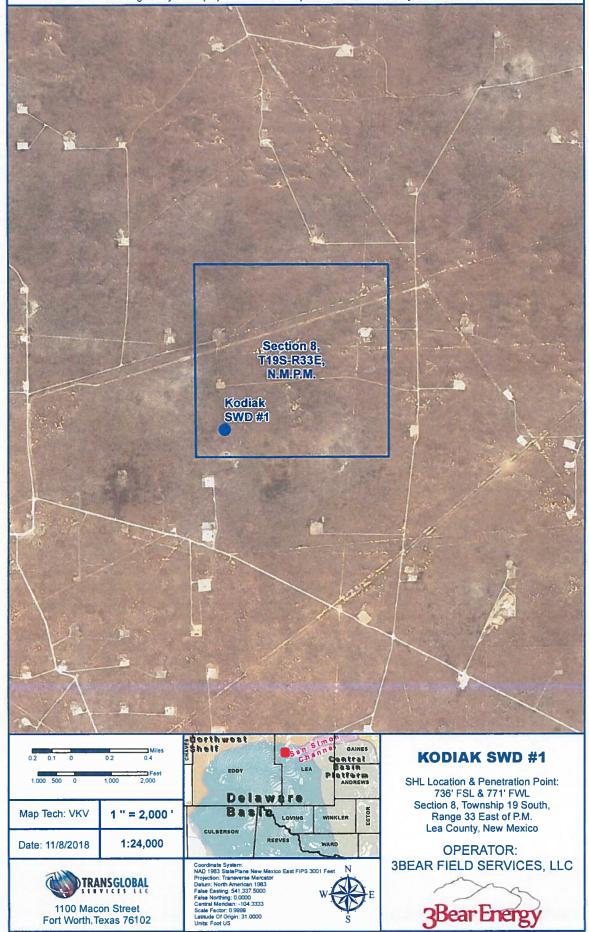
the division.





AERIAL MAP

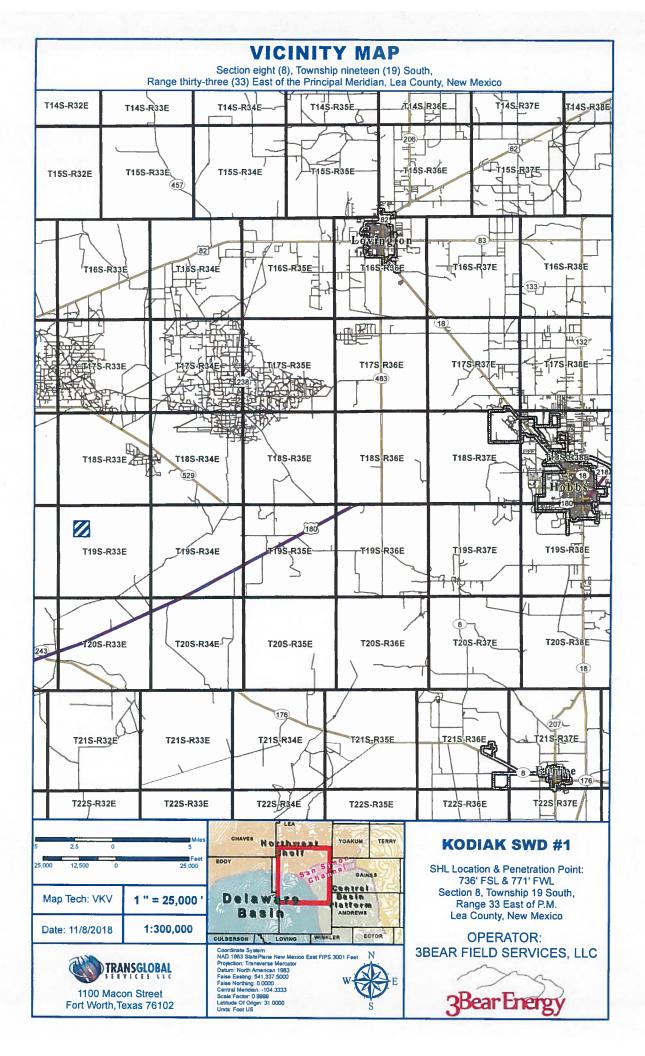
Section eight (8), Township nineteen (19) South, Range thirty-three (33) East of the Principal Meridian, Lea County, New Mexico



3Bear Energy

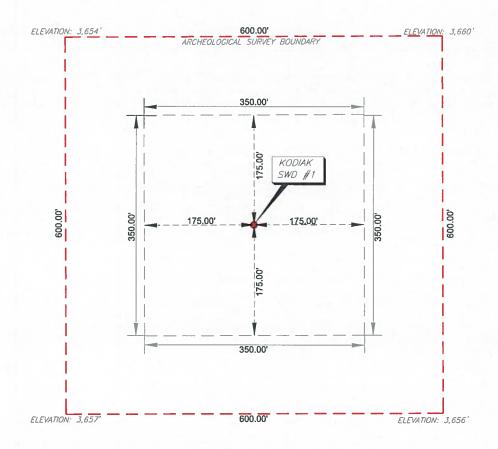
1100 Macon Street

Fort Worth, Texas 76102



LEA COUNTY, NEW MEXICO

SECTION EIGHT (8), TOWNSHIP NINETEEN (19) SOUTH, RANGE THIRTY-THREE (33) EAST OF THE PRINCIPAL MERIDIAN



| | | COORDINATE TABLE | | | | |
|--|----------------------|-----------------------|----------------------|-----------------------------------|--|--|
| WELL NAME | NORTHING (N.A.D. 27) | EASTING (N.A.D. 27) | NORTHING (N.A.D. 83) | EASTING (N.A.D. 83) | | |
| KODIAK SWD #1 SURFACE LOCATION & PENETRATION POINT | 607851.67 | 697729.56 | 607914.92 | 738909.12 LONGITUDE (N.A.D. 83 | | |
| ELEVATION | LATITUDE (N.A.D. 27) | LONGITUDE (N.A.D. 27) | LATITUDE (N.A.D. 83) | | | |
| 3,655.32 | 32.669439 | -103.690778 | 32.669561 | -103.691277 | | |

THE KODIAK SWD #1 IS LOCATED APPROXIMATELY 25 MILES NORTHWEST OF MONUMENT, NEW MEXICO



NOTES:

1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, N.A.D. 27 & 83 DATUM (NEW MEXICO EAST ZONE) BERYED FROM GRES 085ERVATIONS AND ARE BASED REFERENCE STATIONS - "E 146" - MALIAMAR NE (1985)

2.) LATITUDE & LONGITUDE ARE NAD 83 & 27 GEOGRAPHIC.

3.) THIS IS AN WELL PLAT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND BASEMENT INFORMATION PROVIDED BY PACHE CORPORATION. SURVEYOR DID NOT ASSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREOM.







Location of

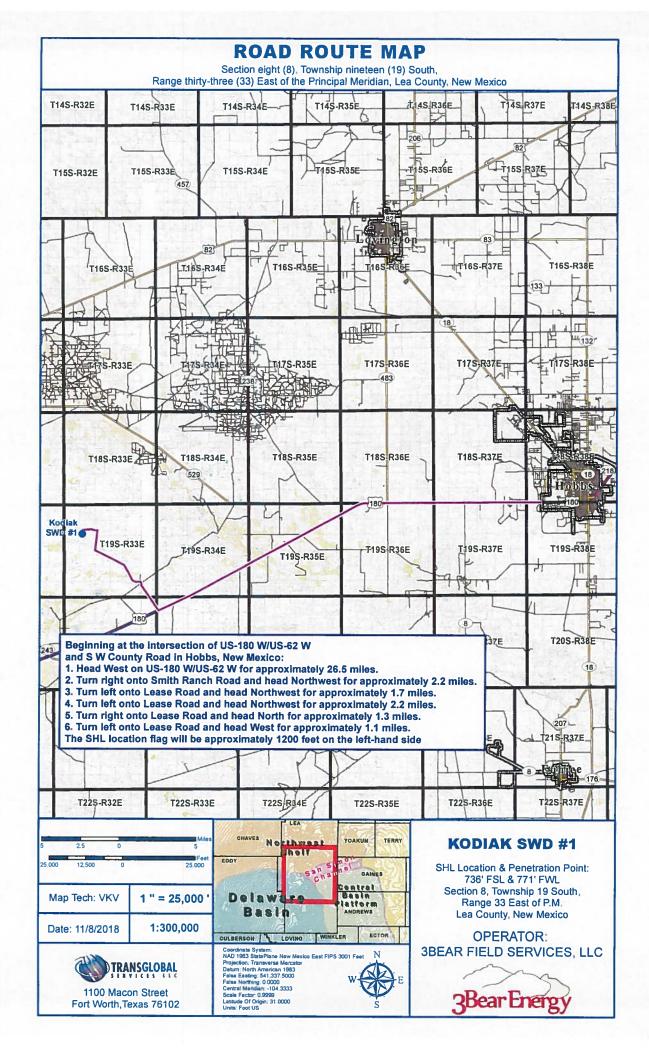
KODIAK SWD #1

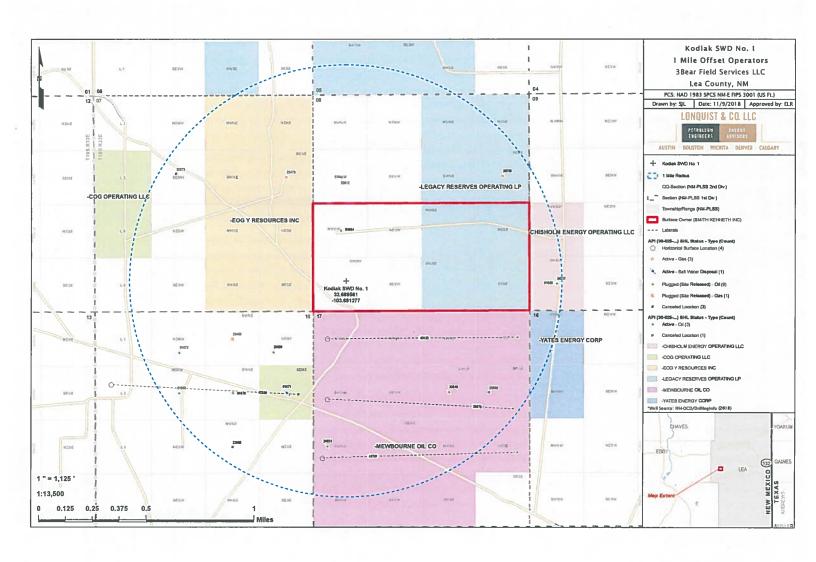
Surface Location & Penetration Point: 736' FSL & 771' FWL

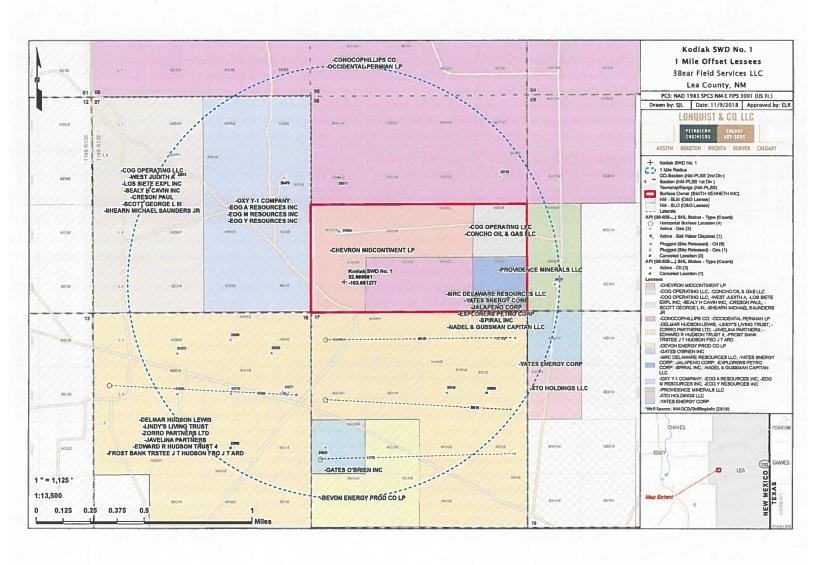
Section 8, Township 19 South, Range 33 East of P.M.

Lea County, New Mexico

| ľ | | | | | |
|---|------------------|-----------------|--|------|--|
| | DRAWN BY: JWP | DATE: 11-7-2018 | DWG, NO, | REV. | |
| | CHECKED BY: JLW | DATE: 11-7-2018 | DriDroptox (Tide Resources)/Tide Resources Team Folderkonzulst (\$10011 Kodek SWD | 1 | |
| | SCALE: 1" = 100" | APP.; | STEINES PAGE 1 OF 1 | | |





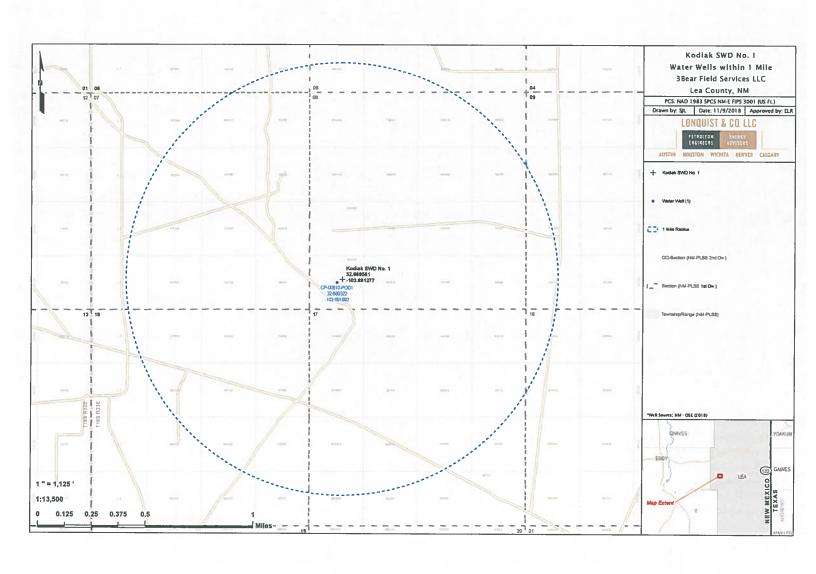


Kodiak SWD No. 1 1 Mile Offset Operators and Lassees List

| S/T/R | QQ UNIT LETTER(S) | OPERATOR | MINERAL LESSEE | MINERAL OWNER | SURFACE OWNER | ADDRESS 1 | ADDRESS 2 |
|------------------|-----------------------|-------------------------------|--|---------------|-------------------|--------------------------|------------------------|
| 6/195/33E | 0 | LEGACY RESERVES OPERATING LP | | | | 303 W WALL SUITE 1600 | MIDLAND, TX 79701 |
| | Р | | CONOCOPHILLIPS CO | | | PO BOX 7500 | BARTLESVILLE, OK 74006 |
| | | | OCCIDENTAL PERMAN LP | | | S E GREENWAY PLAZA #110 | HOUSTON, TX 77946 |
| 6/185/33E | M,N,O | LEGACY RESERVES OPERATING LP | | | | 303 W WALL SUITE 1900 | MIDLAND, TX 79791 |
| 9/195/33E | LM | CHISHOLM ENERGY OPERATING LLC | | | | 801 CHERRY STREET | FORT WORTH, TX 76102 |
| | E | | CONOCOPHILLIPS CO | | | PO BOX 7600 | BARTLESVILLE DK 74006 |
| | | | OCCIDENTAL PERMAN LP | | | S E GREENWAY PLAZA #110 | HOUSTON, TX 77040 |
| 8/198/33E | A.B.G.H.LLO.P | LEGACY RESERVES OPERATING LP | | | | 303 W WALL SUITE 1000 | MIDLAND, TX 79701 |
| | C.D.E.F.N | | COHOCOPHILLIPS CO | | | PO 80X 7800 | BARTLESVILLE, DK 74006 |
| | | • | DOCIDENTAL PERMAN LP | | | S E GREENWAY PLAZA \$110 | HOUSTON, TX 77849 |
| | K.L.M | • | CHEVRON MIDCONTINENT LP | | | 8301 DEAUVILLE | MIDLAND, TX 79700 |
| 7/198/33E | EL | COG OPERATING LLC | | | | 600 W ILLINOIS AVE | MIDLAND, TX 78701 |
| | A.B.G.HLJ.D.P | EOG Y RESOURCES INC | | | | 104 S 4TH ST | ARTESIA, NM 86210 |
| | CFICIEN | | COG OPERATING LLC | | | 900 W ILLINOIS AVE | MEDLAND, TX 78701 |
| | | | WEST JUDITH A | | | PO BOX 1948 | CULLMAN, AL 36060 |
| | | | LOS SIETE EXPLING | | | 200 W 1ST ST 9045 | ROSWELL, NM 88201 |
| | | | SEALY H CAVIN INC | | | BOX 1128 | ROSWELL NM 86201 |
| | | | CRESON PAUL | | | PO 80X 7127 | DALLAR TX 78299 |
| | | | SCOTT GEORGE L III | | | 200 W 18T 8T 8048 | ROSWELL NM 86201 |
| | | | SHEARN MICHAEL SAUNDERS JR | | | PO BOX 92349 | AUSTIN, TX 78709 |
| 16/105/33E | н | COG OPERATING LLC | | | | GOD W RLINOIS AVE | MODLAND, TX 79781 |
| | A.B.C.D.E.F.GLJ.K.O.P | | DELMAR HUDSON LEWIS | | | 910 TEXAS ST | PORT WORTH, TX 76102 |
| | | | LINDY'S LIVING TRUST | | | 616 TEXAS ST | FORT WORTH, TX 76102 |
| | | | ZORRO PARTNERS LTD | | | 616 TEXAS ST | FORT WORTH, TX 76102 |
| | | | JAVELDIA PARTNERS | | | GIG TEXAS ST | FORT WORTH, TX 76102 |
| | | | EDWARD R HUDSON TRUST 4 | | | #16 TEXAS ST | FORT WORTH, TX 76162 |
| | | | PROST BANK TRSTEE JT HUDSON PRO JT ARD | | | PO BOX 1600 | SAN ANTONIO, TX 78980 |
| 17/193/33E | ABCDEFGHLLKLMNO | MEWBOURNE OIL CO | | | | PO BOX 5270 | HOBBS, NM 86241 |
| 18/103/33E | D.E | YATES EMERGY CORP | | | | PO BOX 2223 | ROSWELL, NM 66202 |
| Surface Location | | | | | SMITH KENNETH INC | 207 SMTH RANCH RD | HOBBS, NM 86240 |

Kodlak SWD No. 1 - 1 Mile Offset Operators and Lessees List NM-OCD (2018)

| Kodlak SWD No. 1: Offsetting Produced Water Analysis | | | | | | | | | | | | | | | | | | |
|--|------------|---------|----------|-------|------|--------|----------------------|---------------|----------|-------------|-------------|----------|----------------|----------------|--------------|-----------------|--------------|---------|
| Well Name | API | Section | Township | Range | Unkt | County | Formation | ph | tds_mgL | sodium_mgt. | calcium_mgl | Iron_mgL | magnesium_mgi. | manganese mgi, | chloride mgl | blearbonate_mgt | sulfate mgl. | co2 mel |
| INEXCO AHY FEDERAL #001 | 3002525470 |) | 7 195 | 33E | H | LEA | PENNSYLVANIAN | 6. | | | 5600 | | | | 37062 | | | |
| BUFFALO FEDERAL UNIT #004 | 300250166 | | 4 195 | 33E | H | LEA | PENNSYLVANIAN | | 163468 | | | | | | 99880 | 415 | | |
| BUFFALO FEDERAL UNIT #004 | 300250166 | u | 4 195 | 33€ | H | LEA | PENNSYLVANIAN | | 17108 | | | | | | 9398 | 610 | | |
| BUFFALO FEDERAL UNIT #004 | 3002501661 | | 4 195 | 33E | H | LEA | PENNSYLVANIAN | $\overline{}$ | 21444 | | | | | | 11400 | 881 | | |
| BUFFALO FEDERAL UNIT #004 | 3002501661 | 1 | 4 195 | 33E | Н | LEA . | PENNSYLVANIAN | \Box | 154414 | | | | | | 94260 | | | |
| NELLIS FEDERAL #001 | 3002501663 | | 5 195 | 33E | 0 | LEA | PENNSYLVANIAN | $\overline{}$ | 38798 | | | | | | 23050 | | | |
| NELLIS FEDERAL #001 | 300250166 | | 5 195 | 33E | 0 | LEA | PENNSYLVANIAN | | 67912 | | | | | | 40630 | | | |
| NELLIS FEDERAL #001 | 300250166 | 1 | 5 195 | 33E | 0 | LEA | PENNSYLVANIAN | | 24440 | | | | | | 13420 | | | |
| FEDERAL AC #002 | 3002501675 | 1 | 8 195 | 33E | E | LEA | PENNSYLVANIAN | | 46219 | | | | | | 26980 | | | |
| FEDERAL AC #002 | 3002501679 | 1 | 8 195 | 33E | E | LEA | PENNSYLVANIAN | | 1305 | | | | 1 | | 140 | | | |
| LAGUNA PLATA FEDERAL #001 | 3002501678 | 2 | 2 195 | 33E | 1 | LEA | WOLFCAMP | | 46915 | | | | | | 27270 | | | |
| MAGNOLIA STATE #001 | 3002501701 | . 3 | 2 195 | 33E | 8 | LEA | ARTESIA | | 8771 | | | | | | 4301 | 1538 | | |
| MALACHITE 22 FEDERAL #001H | 3002540318 | 2 | 2 195 | 33E | D | Lea | BONE SPRING 1ST SAND | 6, | | 73407 | 1293 | 33 | 265 | 0.26 | | 780 | | |
| NELLIS A FEDERAL #004 | 3002525912 | | 8 195 | 33E | E | LEA | BONE SPRING | 6.5 | 48582 | | | | | | 28900 | | | |
| NELLIS FEDERAL #003 | 3002526091 | | 6 195 | 33E | F | LEA | ARTESIA | 6.1 | 70660 | | | | | | 42600 | | | |
| MALACHITE 22 FEDERAL #001H | 3002540316 | 2 | 2 195 | 33E | D | Lea | BONE SPRING 1ST SAND | 6.3 | 1 | 79136 | 1414 | 26 | 271 | 0.07 | | | | |
| MALACHITE 22 FEDERAL #002H | 3002540389 | | 2 195 | 33E | c | Lea | BONE SPRING 1ST SAND | 6.6 | | | | | | | | | | 120 |
| BATE FEDERAL #003 | 3002522597 | 3 | 5 195 | 33E | c | LEA | ARTESIA | 7.1 | 117622 | | | | - | | 66700 | | | |
| MALACHITE 22 FEDERAL #001H | 3002540318 | | 2 195 | 33E | D | Lea | BONE SPRING 1ST SAND | _ | 153753.1 | | 1261 | 3.5 | 277 | 0.2 | | | | |





New Mexico Office of the State Engineer

Water Right Summary



WR File Number: CP 00810

Subbasin: CP

Cross Reference: -

Primary Purpose: PLS

NON 72-12-1 LIVESTOCK WATERING

Primary Status:

DCL

DECLARATION

Total Acres:

0

Subfile:

Total Diversion: 3

Cause/Case: -

Owner: KENNETH SMITH

Documents on File

Status

From/

File/Act

Transaction Desc.

To

Acres Diversion Consumptive

563319 DCL 1993-08-04

DCL PRC CP 00810

Т

0 3

Current Points of Diversion

QQQ

(NAD83 UTM in meters)

POD Number CP 00810 POD1 Source 6416 4 SecTws Rng Shallow 3 3 08 19S 33E

X 622675 3615385* **Other Location Desc**

An () after northing value indicates UTM location was derived from PLSS - see Help

0

Priority Summary

Priority 12/31/1965 Status DCL

Acres Diversion Pod Number

Source Shallow

Place of Use

QQQQ

256 64 16 4 SecTws Rng

Acres Diversion

CU Use Priority

3 CP 00810 POD1

Status Other Location Desc

PLS 12/31/1965 DCL NO PLACE OF USE GIVEN

Source

Acres Diversion

CU Use Priority PLS 12/31/1965

Source Description

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 08, 2018 and ending with the issue dated November 08, 2018.

Publisher

(Seal)

Sworn and subscribed to before me this 8th day of November 2018.

Business Manager

My commission expires

January 29, 2019

OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexic

THE THE PRESENTATION THE PROPERTY OF THE PARTY OF This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGALS

LEGAL NOTICE November 8, 2018

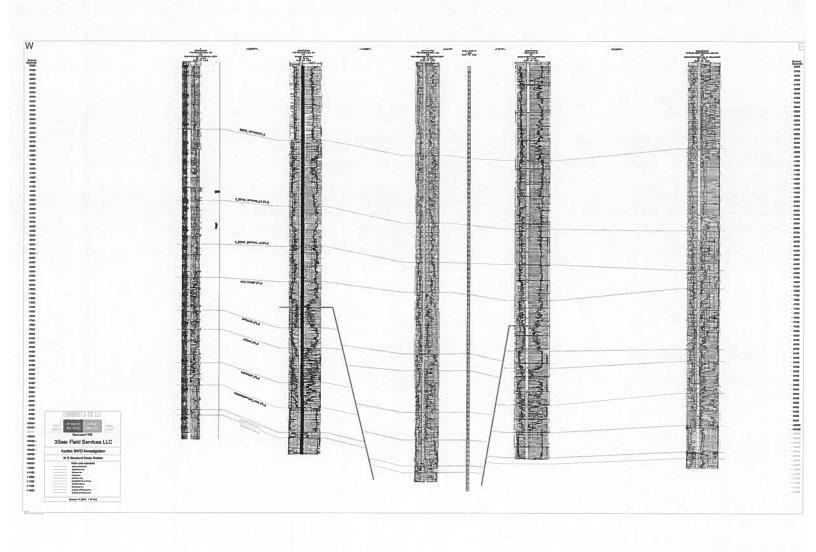
LEGAL NOTICE
November 8, 2018

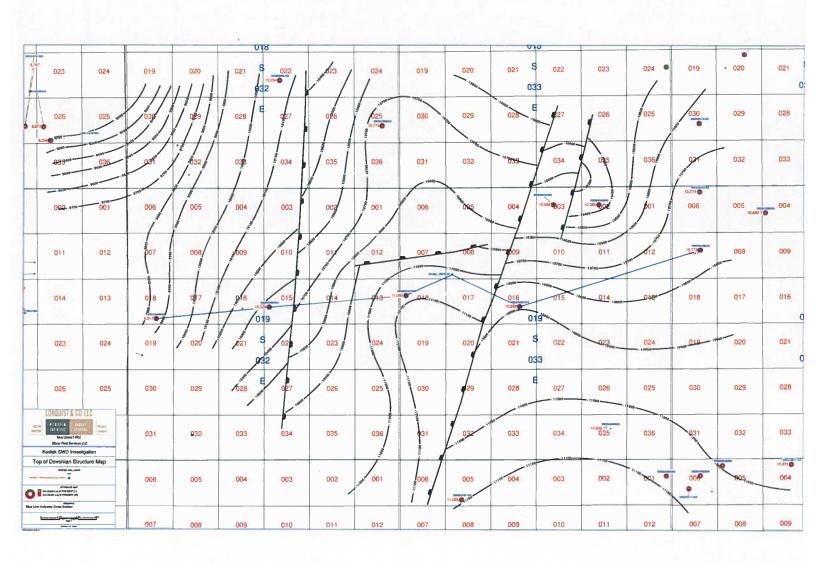
3Bear Field Services LLC;
415 W. Wallst, Suite 1212;
Midland, Texas; 79701, 1st
filling Form C 108.
(Application for Authorization
to Inject) with the New
Mexico Oil Conservation
Division for administrative
approval for its salt water
disposal well Kodiak SWD
No. 1. The proposed well will
be focated at 736' FSL &
771' FWL in Section 8,
Township 19S, Range 33E,
in Lea County, New Mexico.
Disposal water will be
sourced from area
production, and will be
injected into the DevonlanSilurian, Formation
(determined by offset log
analysis) throughyan open
hole completion between an
applied for top of 14,751'
feet to a maximum depth of
18,500' feet. The maximum
surface injection pressure
will not exceed 2,950 psi
with a maximum rate of
25,000 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) 600-1774.
#33435

67112661

00220544

LONQUIST & CO., LLC 12912 HILL COUNTRY BLVD, STE F200 AUSTIN, TX 78738





AUSTIN HOUSTON PETROLEUM ENGINEERS

ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Chevron Midcontinent LP 6301 Deauville Midland, TX 79706

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

According to the New Mexico Oil Conservation Division, surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date in which this application was mailed to them.

Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

(512) 600-1774 steve@longuist.com

AUSTIN HOUSTON PETROLEUM ENGINEERS

ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Chisholm Energy Operating LLC 801 Cherry Street Fort Worth, TX 76102

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. **Regulatory Manager**

Lonquist & Co., LLC

(512) 600-1774 steve@longuist.com

AUSTIN **HOUSTON** PETROLEUM ENGINEERS

ENERGY ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

COG Operating LLC 600 W Illinois Ave Midland, TX 79701

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

(512) 600-1774 steve@longuist.com

AUSTIN HOUSTON PETROLEUM ENGINEERS

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

ConocoPhillips Co. PO Box 7500 Bartlesville, OK 74005

Subject:

KODIAK 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM ENGINEERS

ENERGY **ADVISORS** WICHITA CALGARY

www.longuist.com

November 12, 2018

Delmar Hudson Lewis 616 Texas Street Fort Worth, TX 76102

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Longuist & Co., LLC

AUSTIN HOUSTON PETROLEUM ENGINEERS

ENERGY **ADVISORS** WICHITA CALGARY

www.longuist.com

November 12, 2018

Edward R Hudson Trust 4 616 Texas Street Fort Worth, TX 76102

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM ENGINEERS

ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

EOG Y Resources, Inc. 105 S 4th Street Artesia, NM 88210

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. **Regulatory Manager** Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM **ENGINEERS**

ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Frost Bank Trustee J T Hudson FBO J T Ard PO Box 1600 San Antonio, TX 78296

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager

Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM ENGINEERS

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

George L Scott III 200 W 1st St #648 Roswell, NM 88201

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM ENGINEERS

ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Javelina Partners 616 Texas Street Fort Worth, TX 76102

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM **ENGINEERS**

ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Judith A West PO Box 1948 Cullman, AL 35056

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Longuist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM **ENGINEERS**

ENERGY ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Kenneth Smith Inc. 267 Smith Ranch Rd. Hobbs, NM 88240

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM **ENGINEERS**

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

Legacy Reserves Operating LP 303 W. Wall Suite 1600 Midland, TX 79701

Subject:

KODIAK 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Longuist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM **ENGINEERS**

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

Lindy's Living Trust 616 Texas Street Fort Worth, TX 76102

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM **ENGINEERS**

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

Los Siete Expl. Inc. 200 W 1st St #648 Roswell, NM 88201

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Longuist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM **ENGINEERS**

ENERGY ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Mewbourne Oil Co PO Box 5270 Hobbs, NM 88241

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. **Regulatory Manager**

Lonquist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM **ENGINEERS**

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

Occidental Permian IP 5 E Greenway Plaza #110 Houston, TX 77046

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Any questions should be directed towards 3Bear Energy LLC's agent, Lonquist & Co., LLC.

Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM ENGINEERS

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

Occidental Permian LP 5 E Greenway Plaza #110 Houston, TX 77046

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM **ENGINEERS**

ENERGY ADVISORS

WICHITA CALGARY

www.longuist.com

November 12, 2018

Paul Creson PO Box 7127 Dallas, TX 75209

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN **HOUSTON**

PETROLEUM ENGINEERS

ENERGY ADVISORS

WICHITA CALGARY

www.lonquist.com

November 12, 2018

Sealy H Cavin Inc. PO Box 1125 Roswell, NM 88201

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM ENGINEERS

ENERGY **ADVISORS** WICHITA CALGARY

www.longuist.com

November 12, 2018

Shearn Michael Saunders Jr. PO Box 92349 Austin, TX 78709

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN HOUSTON PETROLEUM **ENGINEERS**

ENERGY ADVISORS

WICHITA CALGARY

www.lonquist.com

November 12, 2018

Yates Energy Corp PO Box 2323 Roswell, NM 88202

Subject:

Kodiak 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 3Bear Energy LLC's Kodiak SWD No. 1 well. Section XIV of Form C-108 requires that the surface land owner on which the well is located and each leasehold operator within a one-half mile radius of the proposed well location be furnished with the application.

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Lonquist & Co., LLC

AUSTIN **HOUSTON** PETROLEUM ENGINEERS

ENERGY **ADVISORS**

WICHITA CALGARY

www.longuist.com

November 12, 2018

Zorro Partners Ltd. 616 Texas Street Fort Worth, TX 76102

Subject:

Kodiak SWD No. 1 Authorization to Inject

To Whom It May Concern:

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Regards,

Stephen L. Pattee, P.G. Regulatory Manager Longuist & Co., LLC

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

| II. OPERATOR: 3Bear Field Services, LLC ADDRESS: 415 W. Wall St., Suite 1212 CONTACT PARTY: Kevin Burns PHONE: 432-686-2973 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: 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 mild 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 inject data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, a 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 tha 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 chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, structure, structure, and, and the proposed injection and the injection zone including appropriate libiologic detail, geologic name, thick Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing wate dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such so be immediately underlying the injection interval. IX. Describe the proposed stimulation program, if any. *XII. Attach appropriate logging and test data on t | I. | PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage |
|--|-------|---|
| ADDRESS: 415 W. Wall St., Suite 1212 CONTACT PARTY: Kevin Burns PHONE: 432-686-2973 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? 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 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 data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, a 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 tha 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 chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, st wells, etc.). *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickr Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing wat dissolved solids concentrations of 10,000 mg/ or less) overlying the proposed injection zone as well as any such so be immediately underlying the injection interval. IX. Describe the proposed stimulation program, if any. *XII. Applicants for disposal well showing location of wells and dates samples were taken. | | Application qualifies for administrative approval? |
| 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 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 shall include a description of each well's type, construction, date drilled, location, depth, record of completion, a of any plugged well illustrating all plugging detail. VII. Attach data on the proposed operation, including: 1. Proposed average and maximum dially 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 tha 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 chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, st wells, etc.). *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickr Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing wat dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such so 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 immediately underlying the injection | Π. | OPERATOR: 3Bear Field Services, LLC |
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| E-MAIL ADDRESS: tyler.moehlman@lonquist.com | | NAME: Tyler F. Moehlman TITLE: Consulting Engineer – Agent for 3Bear Field Service |
| | | SIGNATURE: |
| Please show the date and circumstances of the earlier submittal: | * | If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. |

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.

INJECTION WELL DATA SHEET

OPERATOR: 3Bear Field Services, LLC

Side 1

WELL NAME & NUMBER: Kodiak SWD No. 1

WELL LOCATION: 736 FSL & 771' FWL FOOTAGE LOCATION

WELLBORE SCHEMATIC

M UNIT LETTER <u>8</u> SECTION 19S TOWNSHIP 33E RANGE

WELL CONSTRUCTION DATA

Conductor Casing

Hole Size: 26.000"

Casing Size: 20.00"

Cemented with: 328 sacks

or 361 ft²

Top of Cement: surface

Method Determined: circulation

Surface Casing

Hole Size: 17.500"

Casing Size: 13.375"

Cemented with: 1.374 sacks.

or 1.752 ft²

Top of Cement: surface

Method Determined: circulation

Production Casing

Hole Size: 12.250"

Casing Size: 9.625"

Cemented with: 2.079 sacks

or 4.548 ft³

Top of Cement: surface

Method Determined: circulation

Liner

Hole Size: 8,500"

Casing Size: 7.625"

Cemented with: 703 sacks.

or 850 ft³

Top of Cement: 7,440°

Method Determined: calculation

Total Depth: 14.751'

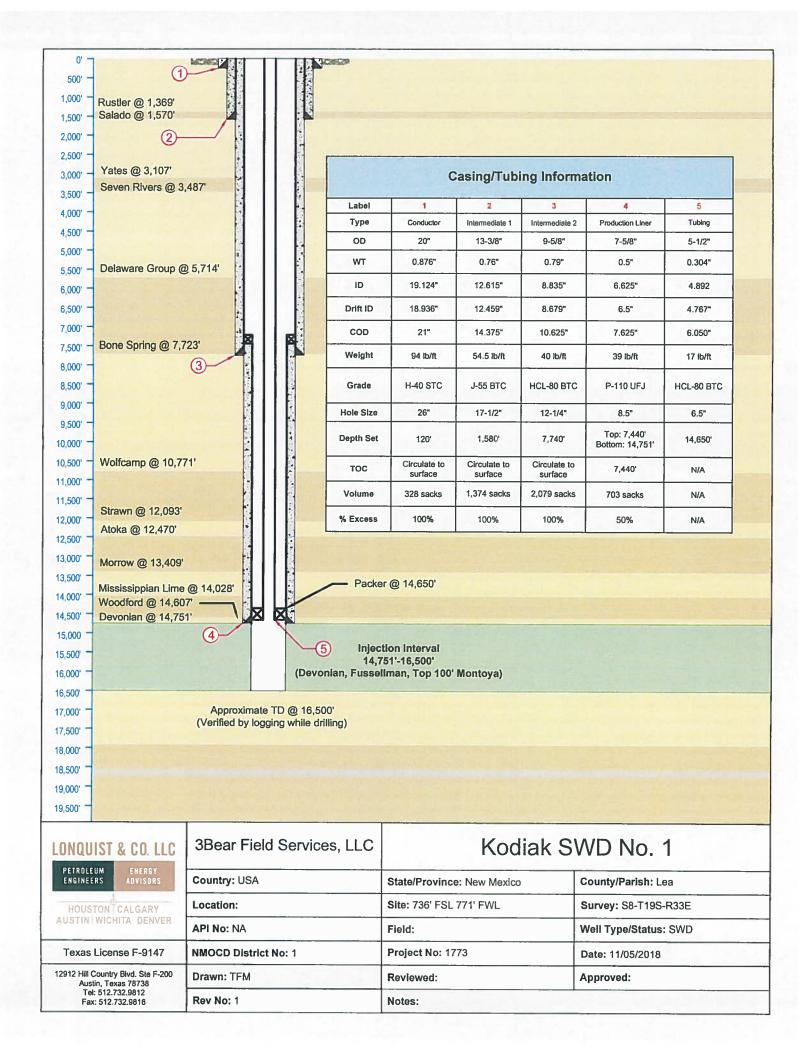
Injection Interval

14,751 feet to 16,500 feet

(Open Hole)

INJECTION WELL DATA SHEET

| Tu | bing Size: 5.5", 17 lb/ft, HCL-80, BTC from 0' – 14,650' |
|----|--|
| Li | ning Material: <u>Duoline</u> |
| Ту | pe of Packer: 7-5/8" X 5-1/2" Permanent Packer with High Temperature Elastomer and Full Inconel 925 Trim |
| Pa | cker Setting Depth: 14,650' |
| Ot | her Type of Tubing/Casing Seal (if applicable): |
| | Additional Data |
| 1. | Is this a new well drilled for injection? X YesNo |
| | If no, for what purpose was the well originally drilled? |
| 2. | Name of the Injection Formation: <u>Devonian</u> , <u>Fusselman</u> , <u>Montoya (Top 100')</u> |
| 3. | Name of Field or Pool (if applicable): SWD: Silurian-Devonian Disposals (Pool Code: 97869) |
| 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: |
| | Yates-Seven Rivers: 3,487' Delaware: 5,714' Bone Spring: 7,723' Wolfcamp: 10,771' Strawn: 12,093' Atoka: 12,470' |



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

1. Operator Name and Address
2 OGRID Number
2 OGRID Number

State of New Mexico

Form C-101 Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

| 3BEAR FIELD SERVICES, LLC 415 W. WALL ST., STE 1212 MIDLAND, TEXAS 79701 | | | | | | | | 372603 3 API Number 30-015-TBD | r |
|--|--|--|---|---|--|--|--------------------------------------|--------------------------------------|---|
| 4. Prop | erty Code | | | | perty Name ODIAK | | | o. V | Vell No. |
| | | | | | ce Location | 1 | | | • |
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| M | 8 | 195 | 33E | | 736 | S | 771 | W | LEA |
| | | | | ⁸ Proposed I | Bottom Hole | e Location | | | |
| UL - Lot | Section - | Township - | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| | E0111 | | | 9. Pool | Information | 1 | | | |
| | | | | Pool Nam | е | | | | Pool Code |
| | | | | SWD; Silurian-D | evonian | | | | 97869 |
| | | F NE | | Additional \ | Well Inform | | | | |
| | rk Type N | | 12 Well Type SWD | | ole/Rotary R | | 14 Lease Type Private | 15. Gn | ound Level Elevation 3,655.32 |
| | ultiple N | | Proposed Depth 16,500' | Devonian, Fus | nation sselman, Montoy | | ^{19.} Contractor TBD | | ^{20.} Spud Date ASAP |
| Depth | to Ground wa | ater | | Distance from near | | ell | С | bistance to nearest su > 1 mile | rface water |
| | | | | | | | | | |
| | | | | | | | | | |
| Туре | | ole Size | Casing Size | Casing Weight | ft | Setting Depth | Sacks of | Cement | Estimated TOC |
| Conducto | r | 26" | 20" | 94 lb/ft | 'n. | 120' | 32 | 8 | Surface |
| Conductor Surface | r 17 | 26" 7-1/2" | 20" 13-3/8" | 94 lb/ft 54.5 lb/ft | rft . | 120' 1,580' | 32 1,3 | 8 | Surface Surface |
| Conductor Surface Production | r 17 | 26" 7-1/2" 2-1/4" | 20" 13-3/8" 9-5/8" | 94 lb/ft 54.5 lb/ft 40 lb/ft | | 120' 1,580' 7,740' | 32 1,3' 2,0' | 8 74 79 | Surface Surface Sufrace |
| Conductor Surface | 17 1 12 8 | 26" 7-1/2" | 20" 13-3/8" | 94 lb/ft 54.5 lb/ft | | 120' 1,580' 7,740' 7,440'-14,751' | 32 1,3 | 8 74 79 | Surface Surface |
| Conductor Surface Production Liner | 17 1 12 8 | 26" 7-1/2" 2-1/4" | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft | | 120' 1,580' 7,740' 7,440'-14,751' 14,650' | 32 1,3 2,0° 70 | 8 74 79 | Surface Surface |
| Conductor Surface Production Liner Tubing | 17 17 18 8 6 | 26" 7-1/2" 2-1/4" | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft | | 120' 1,580' 7,740' 7,440'-14,751' 14,650' | 32 1,3 2,0° 70 | 8 74 79 | Surface Surface |
| Conductor Surface Production Liner | 17 17 18 8 6 | 26" 7-1/2" 2-1/4" | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft | am: Additio | 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Comment | 32 1,3 2,0° 70 | 8 74 79 | Surface Surface Sufrace |
| Conductor Surface Production Liner Tubing | 17 17 18 8 6 6 ematic. | 26" 7-1/2" 2-1/4" | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft 2/Cement Progra | am: Additio | 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Comment | 32 1,3' 2,0' 70 | 8 74 79 3 | Surface Surface Sufrace 7,440' |
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| Conductor Surface Production Liner Tubing e attached sch Double I hereby ce st of my kn urther cert .15.14.9 (B gnature: | 17 1 12 8 6 6 ematic. Type Hydrualic/Bli ertify that the owledge and tify that I here. | 26" 7-1/2" 2-1/4" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" 1-1/2" | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22. I | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft 2/Cement Progra Proposed Blowor orking Pressure 10,000 psi | am: Additional Prevention | 120' 1,580' 7,740' 7,440'-14,751' 14,650' Dal Comment Test Pres 8,000 p | 32 1,3' 2,0' 70 25 55 | 8 | Surface Surface Sufrace 7,440' |
| Conductor Surface Production Liner Tubing e attached sch Double I hereby ce st of my kn urther cert 115.14.9 (B gnature: | Type Hydrualic/Bli rtify that the owledge and tify that I he owledge. | 26" 7-1/2" 2-1/4" 1-1/2 | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22. I | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft 2/Cement Progra Proposed Blowor orking Pressure 10,000 psi | am: Additional Prevention ae Appro Title: | 120' 1,580' 7,740' 7,440'-14,751' 14,650' Dal Comment Test Pres 8,000 p | 32 1,3' 2,0' 70 2s sure si | 8 | Surface Surface Sufrace 7,440' |
| Conductor Surface Production Liner Tubing e attached sch Double I hereby ce st of my kn urther cere .15.14.9 (B) gnature: inted name: | Type Hydrualic/Bli ertify that the owledge and tify that I he) NMAC Tyler Moe ing Engines | 26" 7-1/2" 2-1/4" 1-1/2 | 20" 13-3/8" 9-5/8" 7-5/8" 5.5" Casing 22. H w on given above is trulied with 19.15.14.9 able. | 94 lb/ft 54.5 lb/ft 40 lb/ft 39 lb/ft 17 lb/ft 2/Cement Progra Proposed Blowor orking Pressure 10,000 psi | am: Additional Prevention ae Appro Title: | 120' 1,580' 7,740' 7,440'-14,751' 14,650' onal Comment Test Pres 8,000 p OIL oved By: | 32 1,3' 2,0' 70 2s sure si | M. TBD- | Surface Surface Sufrace 7,440' |

Phone: (505) 476-3460 Fax (505) 476-3462

¹ API Number

1220 S. St Francis Dr., NM 87505

1 Property Code

7 OGRID No.

372603

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

Pool Name

SWD; Silurian-Devonian

AMENDED REPORT

⁴ Well Number

#1

* Elevation

3655.32'

WELL LOCATION AND ACREAGE DEDICATION PLAT

⁵ Property Name

Operator Name

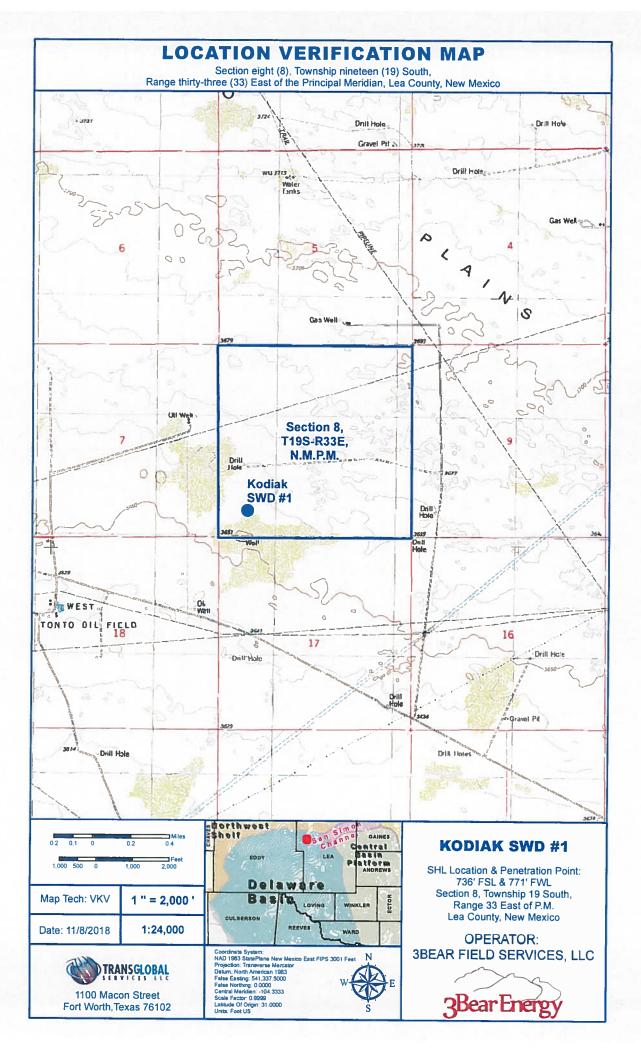
3BEAR FIELD SERVICES, LLC

KODIAK SWD

² Pool Code

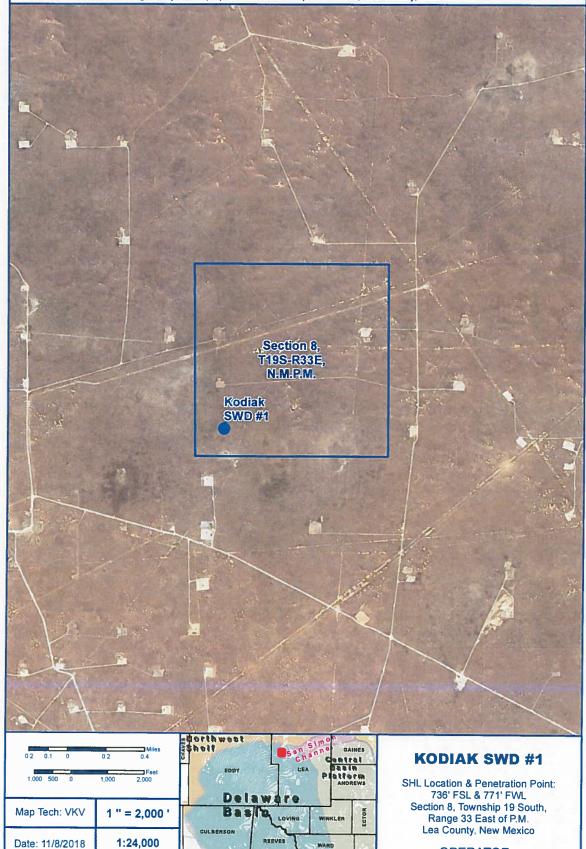
97869

| | | | | | • Surfac | ce Location | | | | |
|--------------------------------|-------------|-------------|----------------|---|------------------|------------------|---------|---|---|--|
| UL or lot no. | Section | Township | | Lot Idn | Feet from the | North/South lin | e | Feet from the | East/West line | County |
| M | 8 | 19 S | 33 E | | 736 | SOUTH | | 771 | WEST | LEA |
| | | | "Bo | ttom H | lole Locat | ion If Diffe | rent | From Su | ırface | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South lin | e I | Feet from the | East/West line | County |
| 12 Dedicated Acres | 13 Joint o | r Infill 1 | *Consolidation | Code 15 O | rder No. | | | | | |
| No allowable v he division. | vill be as | signed to | this comple | tion until s | all interests ha | ve been consolid | lated o | r a non-stanc | lard unit has bee | n approved by |
| 16 | | ! | | t t | | (2 | 0 | I hereby cert herein is tru knowledge ar either owns | RATOR CERTIL ify that the inform we and complete to it at belief, and that a working interest he land including to | ation contained the best of my this organization or unlessed miner |
| |) | 1 | С | 1 | В | А | | this location of such a mi voluntary po | or has a right to a pursuant to a contineral or working in ling agreement or a heretofore entered to | trill this welt at ract with an owner nterest, or to a a commulsory |
| E | | 1 | | TIC DATA | G | Н | | Signature Tyler Mo Printed Name tyler.moehlm Email Address | an@lonquist.com 1 | Date 11/12/2018 Date 1/12/2018 |
| | | K | KODIAK | SWD NO. 1 7914.92 N — 1 9909.12 E 1.669561 N 103.691277 W 84, X= 738114 13, X= 743400 66, X= 743424 02, X= 738143 | .77 .91 | I | | I hereby of shown on field notes me or und | EYOR CERTIFY The service of the service of actual survice of the supervision of the service of | TCATION well location lotted from veys made by sion, and lhat |
| 770.71 | ≥ p 735.73' | | N | |) | P | | 1 | N. MEY | Date Date |
| | | | | | | | | Certificate Nun | - | |



AERIAL MAP

Section eight (8), Township nineteen (19) South, Range thirty-three (33) East of the Principal Meridian, Lea County, New Mexico



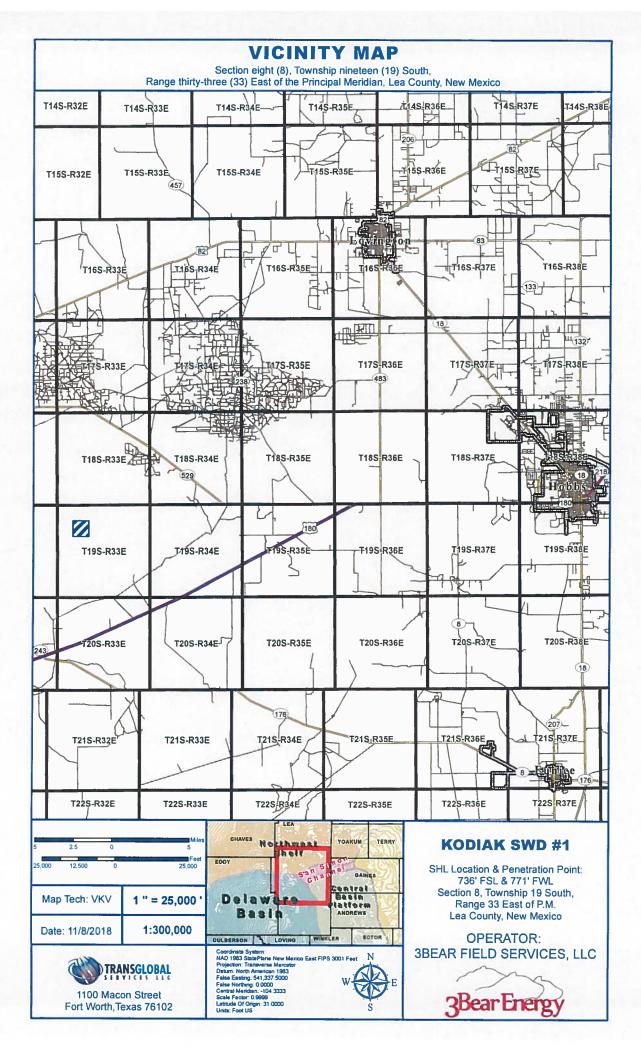
TRANSGLOBAL

1100 Macon Street Fort Worth, Texas 76102

Coordinate System
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Projection: Transverse Mercator
Detum: North American 1983
False Easter; 541,337,5000
False Northing: 0,0000
Central Meridian: -104 3333
Scale Factor: 0,9999
Latbude 07 Origin: 31,0000
Units: Foot US

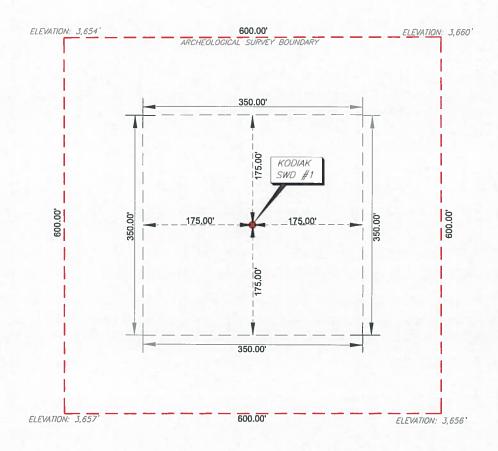
OPERATOR: 3BEAR FIELD SERVICES, LLC





LEA COUNTY, NEW MEXICO

SECTION EIGHT (8), TOWNSHIP NINETEEN (19) SOUTH, RANGE THIRTY-THREE (33) EAST OF THE PRINCIPAL MERIDIAN



| | | COORDINATE TABLE | | |
|--|----------------------|-----------------------|----------------------|----------------------|
| WELL NAME | NORTHING (N.A.D. 27) | EASTING (N.A.D. 27) | NORTHING (N.A.D. 83) | EASTING (N.A.D. 83) |
| KODIAK SWD ∦1 SURFACE LOCATION & PENETRATION POINT | 607851.67 | 697729.56 | 607914.92 | 738909.12 |
| ELEVATION | LATITUDE (N.A.D. 27) | LONGITUDE (N.A.D. 27) | LATITUDE (N.A.D. 83) | LONGITUDE (N.A.D. 83 |
| 3,655,32 | 32.669439 | -103.690778 | 32,669561 | -103.691277 |

THE KODIAK SWD #1 IS LOCATED APPROXIMATELY 25 MILES NORTHWEST OF MONUMENT, NEW MEXICO



1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, N.A.D. 27 & 83 DATUM (NEW MEXICO EAST ZONE) DERIVED FROM GRO QUISCENATIONS AND ARE BASED REFERENCE STATIONS - "E 146" - MALIAMAR NE (1985)

2.) LATITUDE & LONGITUDE ARE NAD 83 & 27 GEOGRAPHIC.

3.) THIS IS AN WELL PLAT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY PACHE CORPORATION. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCLIMBRANCES THAT AFFECT THE SUBJECT TRACT THAT TARE NOT SHOWN HEREO.



TRANSGLOBAL Fort Worth, Texas 76102 (817) 529-1180 - Fax (817) 529-1180





Location of

KODIAK SWD #1

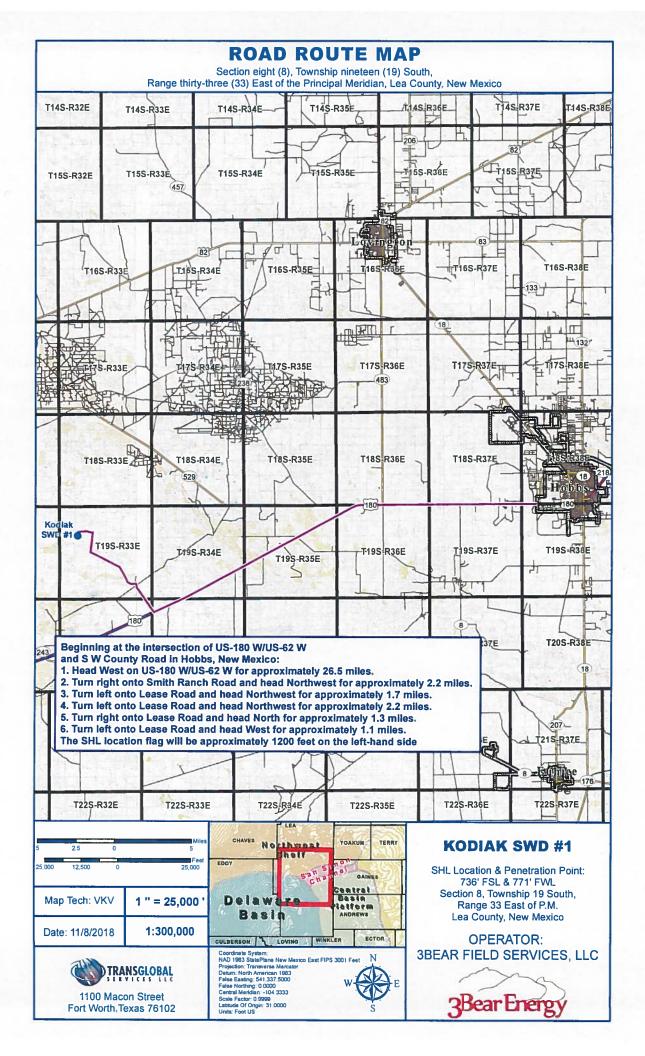
Surface Location & Penetration Point: 736' FSL & 771' FWL

Section 8, Township 19 South, Range 33 East of P.M.

Lea County, New Mexico

| DRAWN BY: JWP | | |
|-------------------------------------|-----------------|---|
| CHECKED BY: JLW SCALE: 1" = 100" | DATE: 11-7-2018 | Diffreptex (Title Resource Team Existed resource 18 to |
| SCALE: 1"= 100" | APP.: | SIVE orbits (|

REV. 1





3Bear Field Services, LLC

Kodiak SWD No. 1

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

| Well information | | | | |
|-----------------------|---------------------|--|--|--|
| Lease Name Kodiak SWD | | | | |
| Well No. | 1 | | | |
| Location | S-8 T-19S R-33E | | | |
| Footage Location | 736' FSL & 771' FWL | | | |

2.

a. Wellbore Description

| | Casing Information | | | | | | |
|-----------|--------------------|--------------|----------------|------------------|--|--|--|
| Туре | Conductor | Intermediate | Intermediate 2 | Production Liner | | | |
| OD | 20" | 13-3/8" | 9-5/8" | 7-5/8" | | | |
| WT | 0.876" | 0.76" | 0.79" | 0.5" | | | |
| ID | 19.124" | 12.615" | 8.835" | 6.625" | | | |
| Drift ID | 18.936" | 12.459" | 8.679" | 6.5" | | | |
| COD | 21" | 14.375" | 10.625" | 7.625" | | | |
| Weight | 94 lb/ft | 54.5 lb/ft | 40 lb/ft | 39 lb/ft | | | |
| Grade | H-40 STC | J-55 BTC | HCL-80 BTC | P-110 UFJ | | | |
| Hole Size | 26" | 17.5" | 12.25" | 8.5" | | | |
| Depth Set | 120' | 1,580′ | 7,740' | 7,440'-14,751' | | | |

b. Cementing Program

| | Cement Information | | | | | | |
|-----------------------|-------------------------|-------------------------|---|--|--|--|--|
| Casing String | Conductor | Intermediate 1 | Intermediate 2 | Liner | | | |
| Lead Cement | Class H | HalCem | Stage 1: NeoCem Stage 2: NeoCem Stage 3: ExtendaCem | VERSACEM w/ gas migration control additives | | | |
| Lead Cement Volume | 328 sks | 1,017 sks | Stage 1: 375 sks Stage 2: 782 sks Stage 3: 375 sks | 703 sks | | | |
| Tail Cement | | HalCem | Stage 1: HalCem Stage 2: HalCem | Halcem | | | |
| Tail Cement Volume | - 1 <u>-</u> | 357 sks | Stage 1: 500 sks Stage 2: 47 sks | | | | |
| Cement Excess | 100% | 100% | 100% | 50% | | | |
| TOC | Surface | Surface | Surface | 7,340' | | | |
| Method | Circulate to Surface | Circulate to Surface | Circulate to Surface | Logged | | | |

3. Tubing Description

| OD | 5.5" |
|--------------|------------|
| WT | 0.304" |
| ID | 4.892" |
| Drift ID | 4.767" |
| Weight | 17 lb/ft |
| Grade | HCL-80 BTC |
| Depth Set | 0'-14,650' |

Tubing will be lined with Duoline.

4. Packer Description

7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer and Full Inconel 925 trim

B. Completion Information

1. Injection Formation: Devonian, Fusselman, Montoya (Top 100')

2. Gross Injection Interval: 14,751' - 16,500'

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 |
|--------------------|---------|
| Yates-Seven Rivers | 3,487' |
| Delaware | 5,714' |
| Bone Spring | 7,723' |
| Wolfcamp | 10,771' |
| Strawn | 12,093' |
| Atoka | 12,470' |
| | |

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: 20,000 BPD Maximum Volume: 25,000 BPD

- 2. Closed System
- 3. Anticipated Injection Pressure:

Average Injection Pressure: 2,213 PSI (surface pressure)
Maximum Injection Pressure: 2,950 PSI (surface pressure)

- 4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Bone Spring and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Delaware, Bone Spring, Wolfcamp, and Strawn formations.
- 5. The disposal interval is non-productive. No water samples are available from the surrounding area.

VIII. Geological Data

Devonian Formation Lithology:

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 Groups 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.

Fusselman Formation Lithology:

The Silurian/Ordovician Fusselman Formation is stratigraphically below the Wristen Group and is above and separated from the Montoya Formation by the Sylvan Shale. The Sylvan Shale is the lower confining layer for the proposed Kodiak SWD No. 1 well. Fusselman facies include a laminated skeletal wackestone in the upper part and a buildup complex in the lower part composed of ooid and bryozoan grainstones. These grainstones can also be potentially prolific zones for disposal.

Montoya Formation Lithology:

The Montoya Group of Late Ordovician age unconformably overlies the Simpson Group. The Montoya is composed of light gray to medium-dark gray, fine- to medium-crystalline, calcareous dolomite, some units of which are interbedded with shale or dark-gray limestone and some units of which contain white to very light-gray chert. The Montoya carbonate limestone dolomite sequence is dense, impermeable, and non-porous.

A. Injection Zone: Siluro-Devonian Formation

| Formation | Depth |
|--------------------|---------|
| Rustler | 1,369' |
| Salado | 1,570 |
| Yates | 3,107′ |
| Seven Rivers | 3,487′ |
| Delaware | 5,714′ |
| Bone Spring | 7,723′ |
| Wolfcamp | 10,771′ |
| Strawn | 12,093' |
| Atoka | 12,470′ |
| Morrow | 13,409′ |
| Mississippian Lime | 14,028′ |
| Woodford | 14,607′ |
| Devonian | 14,751' |

B. Underground Sources of Drinking Water

Within 1-mile of the proposed Kodiak SWD No. 1 location, there is one water well. The water well has been reported of having a depth of 110 ft. Water wells in the surrounding area have an average depth of 265 ft and an average water depth of 182 ft.

IX. Proposed Stimulation Program

No stimulation program planned.

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

Attached is a map of all water wells that exist within one mile of the well location. One water well lies within a 1-mile radius of the Kodiak SWD No. 1. A Water Right Summary from the New Mexico Office of the State Engineer is attached for water well CP-00810-POD1. Water samples for the CP-00810-POD1 were attempted to be retrieved but the sample test was a dry run.

Kodiak SWD No. 1 1 Mile Area of Review List

| API (30-025) | WELL NAME | WELL TYPE | STATUS | OPERATOR | TVD (FT.) | LATITUDE (NAD83 DD) | LONGITUDE (NADES DO) | DATE DRILLED | FIELD |
|--------------|-----------------------------------|-----------|--------|--------------------------------|-----------|---------------------|----------------------|--------------|--|
| 01664 | PRE-ONGARD WELL #001 | 0 | Р | PRE-ONGARD WELL OPERATOR | 3591 | 32.6729507000 | -103.691658000 | 1/1/1900 | |
| 01665 | PRE-ONGARD WELL #001 | 0 | P | PRE-ONGARD WELL OPERATOR | 3610 | 32.6693077000 | ·103.674514800 | 1/1/1900 | |
| 01669 | FEDERAL 18 #002 | 0 | Р | MACK ENERGY CORP | 3275 | 32.6620750000 | -103.704544100 | 12/31/9999 | [59490] TONTO, YATES-SEVEN RIVERS, WEST |
| 01670 | PRE-ONGARD WELL #003 | 0 | P | PRE-ONGARD WELL OPERATOR | 3283 | 32.6620712000 | -103.700271600 | 1/1/1900 | [59490] TONTO, YATES-SEVEN RIVERS, WEST |
| 01671 | FEDERAL 18 HOO4 | 5 | A | COG OPERATING LLC | 3450 | 32.6620674000 | ·103.695983900 | 5/4/1995 | [59490] TONTO, YATES-SEVEN RIVERS, WEST; [96131] SWD, SEVEN RIVERS |
| 01673 | PRE-ONGARD WELL #006 | 0 | P | PRE-ONGARD WELL OPERATOR | 3330 | 32.6647949000 | -103.704528800 | 1/1/1900 | |
| 20699 | PRE-ONGARD WELL #008 | 0 | P | PRE-ONGARD WELL OPERATOR | 3330 | 32.6647911000 | -103.697044400 | 1/1/1900 | |
| 23668 | PRE-ONGARD WELL #001 | 0 | C | PRE-ONGARD WELL OPERATOR | 0 | 32.6584462018 | -103,700310356 | 12/31/9999 | |
| 24624 | PRE-ONGARD WELL #001 | . 0 | P | PRE-ONGARD WELL OPERATOR | 3500 | 32.6584473000 | -103.692771900 | 1/1/1900 | |
| 25470 | INEXCO AHY FEDERAL #001 | G | A | EOG Y RESOURCES, INC. | 13649 | 32.6765785000 | -103.695945700 | 12/31/9999 | [73000] BUFFALO, PENN (GAS) |
| 25917 | PRE-ONGARD WELL HODA | 0 | P | PRE-ONGARD WELL OPERATOR | 13700 | 32.6765747000 | -103.691650400 | 1/1/1900 | [59475] TONTO, BONE SPRING |
| 26469 | PRE-ONGARD WELL #001 | G | Р. | PRE-ONGARD WELL OPERATOR | 13670 | 32.6656990000 | -103.700264000 | 1/1/1900 | [73000] BUFFALO, PENN (GAS) |
| 26799 | NELLIS C FEDERAL GAS COM #001 | G | _ A | LEGACY RESERVES OPERATING, LP | 13701 | 32.6765671000 | -103.678779600 | 4/28/1980 | [73000] BUFFALO, PENN (GAS) |
| 29880 | PRE-ONGARD WELL #001 | 0 | С | PRE-ONGARD WELL OPERATOR | 0 | 32,6620510707 | -103.679911028 | 12/31/9999 | |
| 30546 | HUDSON FEDERAL #001 | 0 | P | YATES ENERGY CORP | 13720 | 32.6620560000 | -103.683113100 | 12/31/9999 | [27230] GEM, WOLFCAMP, NORTH |
| 32973 | FEDERAL 7 NOD4 | 0 | | RAY WESTALL | 0 | 32.6768552258 | -103.704718888 | 12/31/9999 | |
| 34707 | KUDU 9 FEDERAL COM #001 | G | A | CHISHOLM ENERGY OPERATING, LLC | 13770 | 32.6693077000 | -103.674514800 | 11/3/1999 | [73000] BUFFALD, PENN (GAS); [77370] GEM, MORROW (GAS) |
| 39870 | SPYGLASS 17 FEDERAL COM #001H | 0 | A | MEWBOURNE OIL CO | 9966 | 32.6616364000 | -103.692764300 | 1/1/2011 | (59475) TONTO, BONE SPRING |
| 40185 | SPYGLASS 17 FEDERAL #002H | 0 | A | MEWBOURNE OIL CO | 9973 | 32.6656914000 | -103.692749000 | 8/2/2011 | [59475] TONTO, BONE SPRING |
| 40589 | NORTE 18 FEDERAL #001C | 0 | C | MEWBOURNE OIL CO | 0 | 32.6626854000 | -103,709953300 | 12/31/9999 | [59475] TONTO, BONE SPRING |
| 41701 | EXCALIBUR 17 LI FEDERAL COM #001H | 0 | A | MEWBOURNE OIL CO | 9967 | 32.6576767000 | -103.693168600 | 7/2/2014 | [59475] TONTO, BONE SPINING |



Shipment Receipt

Address Information

Ship to:

OIL CONSERVATION DIVISION

DISTRICT I

1625 N FRENCH DRIVE

HOBBS, NM 88240

US 5753936161 Ship from:

tyler moehlman

LONQUIST FIELD SERVICE LLC

1001 McKinney, Suite 1650

Houston, TX 77002

US 7135599998

Shipment Information:

Tracking no.: 773705591221

Ship date: 11/12/2018

Estimated shipping charges: 27.38 USD

Package Information

Pricing option: FedEx Standard Rate Service type: Standard Overnight Package type: FedEx Envelope Number of packages: 1 Total weight: 0.50 LBS

Declared Value: 0.00 USD Special Services:

Pickup/Drop-off: Use an already scheduled pickup at my location

Billing Information:

Bill transportation to: MyAccount-089 Your reference: 1773-C101,C102

P.O. no.: Invoice no.: Department no.:

Thank you for shipping online with FedEx ShipManager at fedex.com.

Please Note

Please Note
FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for llems of extraordinary value is \$1000, e.g., jewetry, precious metals, negotiable Instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; Consult the applicable FedEx Service Guide for details.

The estimated shipping charge may be different than the actual charges for your shipment, Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable FedEx Service Guide for the FedEx Rate Sheets for details on how shipping charges are calculated.

COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. ☐ Agent Print your name and address on the reverse X ☐ Addressee so that we can return the card to you. C. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: If YES, enter delivery address below: KENNETH SMITH INC 257 SMITH RANCH ROAD HOBBS, NM 88240 1773-KODIAK #1 ☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise Service Type Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mell® Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Signature Confirmation™ ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) ☐ Signature Confirmation ☐ Insured Mail Restricted Delivery 7017 2680 0000 7062 8855 ☐ Insured Mail Restricted Delivery (over \$500) Domestic Return Receipt PS Form 3811, July 2015 PSN 7530-02-000-9053



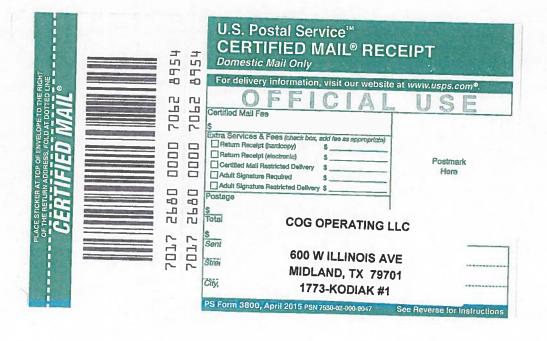
COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. ☐ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. C. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different from item 1? Yes 1. Article Addressed to: If YES, enter delivery address below: LEGACY RESERVES OPERATING LP 303 W WALL, STE 7500 MIDLAND, TX 79701 1773-KODIAK #1 ☐ Priority Mail Express® ☐ Registered Mail™ 3. Service Type © Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail® □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ 9590 9402 4057 8079 2003 18 ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) ☐ Signature Confirmation Restricted Delivery ☐ insured Mail ☐ Insured Mail Restricted Delivery (over \$500) 7017 2680 0000 7062 9326 PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt



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SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. A. Signature Print your name and address on the reverse ☐ Agent X so that we can return the card to you. ☐ Addressee Attach this card to the back of the mailpiece, B. Received by (Printed Name) C. Date of Delivery or on the front if space permits. 1. Article Addressed to: If YES, enter delivery address below: No CHISHOLM ENERGY OPERATING LLC **801 CHERRY STREET FT WORTH TX 76102** 1773-KODIAK #1 Service Type ☐ Priority Mail Express® ☐ Registered Mail Restricted Delivery 9590 9402 4057 8079 2001 65 ☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise Collect on Delivery Collect on Delivery Restricted Delivery 2 Article Number (Transfer from service label) ☐ Signature Confirmation™ 7017 2680 0000 7062 9098 ☐ Insured Mail Restricted Delivery (over \$500) Signature Confirmation Restricted Delivery PS Form 3811, July 2015 PSN 7530-02-000-9053 **Domestic Return Receipt**

