PTGW

DATE IN 3.2.12	SUSPENSE	ENGINEER WVJ	LOGGED IN 3.2.12	TYPE SWD 1313-A	APP NO. 1206228008

FINAL DATA 4/15/12

ABOVE THIS LINE FOR DIVISION USE ONLY

Judah Oil 245872
Dow B 28 Fed #1
2012 MAR

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

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-28676

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

P-28-17S-31E

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

Eddy

[D] Other: Specify ____________________

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Billy E. Prichard	Billy E. Prichard	Agent for Judah Oil, L.L.C.	2/28/2012
Print or Type Name	Signature	Title	Date

billy@pwllc.net
e-mail Address

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

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ___X___Disposal _____Storage
Application qualifies for administrative approval? ___X_____Yes _____No

II. OPERATOR: Judah Oil,L.L.C.

ADDRESS: PO Box 568 Artesia, NM 88211

CONTACT PARTY: Blaise Campanella PHONE: 5757485488

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes ___X_____No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: **Billy(Bill)E. Prichard** TITLE: **Agent for Judah Oil,L.L.C.**

SIGNATURE: Billy E. Prichard DATE: 2/28/2012

E-MAIL ADDRESS: **billy@pwllc.net**

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

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

Judah Oil,L.L.C.
Dow B 28 Federal # 001
API # 30-015-28676
1028 FSL X 1227 FEL
Unit Letter "P", Section 28, T17S, R31E
Eddy County, New Mexico
C108(Application for Authorization to Inject)

I.

The purpose of this application is for the administrative approval for the conversion of the Dow B 28 Federal # 001 from an abandoned or orphaned Morrow gas well to a Wolfcamp commercial salt water disposal well.

II.

Operator: Judah Oil, L.L.C.
Adress: PO Box 568 Artesia, New Mexico 88211
Blaise Campanella 5757485488

III.

Please see Exhibit "A" for well data.

IV.

This is not an expansion of an existing project.

V.

Please see Exhibit"B" for map of .5 and 1 mile area of review.

VI.

Please see Exhibit "C" for wells and tabulation of data for wells in AOR
10 wells were identified in the AOR. 8 of the wells do not penetrate the purposed disposal zone. See Exhibit"C" for data on the 2 wells that penetrate the purposed disposal zone.

VII.

1. Anticipated average daily rate 10,000 BWPD with maximum of 20,000 BWPD.
2. This will be an open system.
3. Anticipated average injection pressure is 0(Zero) with maximum of 1716 psig.
4. Please see Exhibit "D" of analysis of projected disposal fluid. Disposal fluid will be produced water trucked in numerous producing zones in southeastern New Mexico.
5. Please see Exhibit "E" for Wolfcamp water analysis.

VIII.

Please see Exhibit "F" for geological data.

IX.

There is no stimulation planned unless pressure and rate dictate the need.

X.

Logs and completion data submitted to NMOCD by previous operator.
Previous operator added additional Wolfcamp perforations.

XI.

A review of the New Mexico state engineer web site found no water wells within the 1 mile AOR. Field survey found no active water wells.

Judah Oil,L.L.C.
Dow B 28 Federal # 001
API # 30-015-28676
1028 FSL X 1227 FEL
Unit Letter "P", Section 28, T17S, R31E
Eddy County, New Mexico
C108(Application for Authorization to Inject)

XII.

Available geological data has been examined and shows no evidence of open faults or any hydrological connection between the proposed disposal zone and underground sources of drinking water.

XIII.

Please see Exhibit "G" for "Proof of Notice" and affidavit of publication.

Enclosed is the inactive well list for Judah Oil,L.L.C.

Judah Oil,L.L.C.
Dow B 28 Federal # 001
API # 30-015-28676
1028 FSL X 1227 FEL
Unit Letter "P", Section 28, T17S, R31E
Eddy County, New Mexico

Well Data

Well spudded by Texaco 11/19/1995 as Morrow test.

11 ¾" 42# WC-40 casing set in 14" hole at 614 feet. Cemented with 450 sacks of Class "C" cement. Cement circulated to surface.

8 5/8" 32# WC-50 casing set in 11" hole at 5040 feet. Cemented with 3000 sacks of Class "H" cement. Cement circulated to surface.

5 ½"17#&20# P-110,L80,S95 casing set in 7 7/8"hole at 12725 feet.
Cemented in 2 Stages. DV tool at 9283 feet.
Stage 1 - 350 sacks 35/65 Poz Class "H" w/ 6% gel, 3% FL-52, 3% R3, ¼# Flocele. (Yield 1.85 cubic feet per sack with 12.7 ppg weight) followed by
580 sacks "H" ,1.1% FL-62, 1% BA-58, .3% CD-32, .25%R3, .2% SM
(Yield 1.07 cubic feet per sack with 16.4 ppg weight)
Cement circulated above DV tool
Stage 2 - 250 sacks Super C Modified, .44% FL-52, .17#CD 32
(Yield 1.34 cubic feet per sack with 13.9 ppg weight) followed by
100 sacks Class"H" neat
(Yield 1.18 cubic feet per sack with 15.6 ppg weight)
Top of cement at 6900 feet.

Mississippi perforations
12118-12180 feet
Morrow perforations
11764-11792 feet

Exhibit "A"

Judah Oil,L.L.C.
Dow B 28 Federal # 001
API # 30-015-28676
1028 FSL X 1227 FEL
Unit Letter "P", Section 28, T17S, R31E
Eddy County, New Mexico

Well Data

Formation tops identified by NMOCD District II geologist Bryan Arrant
Bone Springs – 5235
Wolfcamp – 8522
Cisco – 9760
Penn – 10076
Strawn – 10843
Atoka – 11105
Morrow – 11403
Chester – 11905
Devonian – 12280

Exhibit "A"

Judah Oil,L.L.C.
Dow B 28 Federal # 001
API # 30-015-28676
1028 FSL X 1227 FEL
Unit Letter "P", Section 28, T17S, R31E
Eddy County, New Mexico

Well Data

The Dow B 28 Federal # 1 was taken over by the State of New Mexico for forced plugging. The well has not produced since 2006.

Production Summary of api:3001528676 pool:WILDCAT CEDAR LAKE; MISSISSIPPIAN

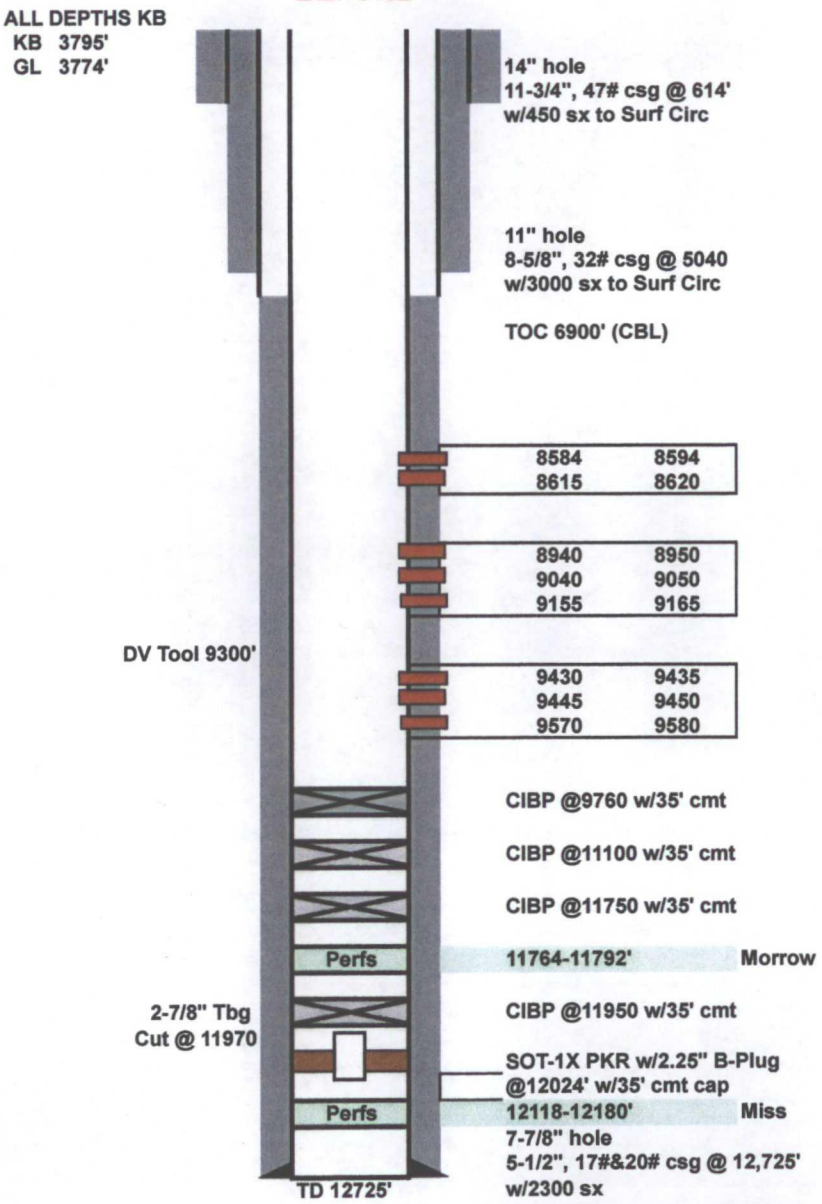
producing year	Oil	Gas	Water	Co2
1996	701	5817	0	0
1997	179	769	0	0
1998	434	6934	14	0
1999	34	537	21	0
2000	13	104	0	0
2001	0	69	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	0	0	0	0
2005	0	0	0	0
2006	0	0	0	0
2007	0	0	0	0
summary	1361	14230	35	0

Production Summary of api:3001528676 pool:CEDAR LAKE;MORROW, EAST (GAS)

producing year	Oil	Gas	Water	Co2
1996	1802	44630	0	0
1997	132	8657	90	0
1998	142	11574	0	0
1999	188	13652	0	0
2000	86	8957	41	0
2001	130	5769	0	0
2002	52	2192	0	0
2003	304	48218	239	0
2004	42	28368	31	0
2005	0	15329	0	0
2006	0	920	0	0
2007	0	0	0	0
summary	2878	188266	401	0

Exhibit "A"

Dow "B" 28 Fed #1
API # 30-015-28676
BEFORE



Dow "B" 28 Fed #1
API # 30-015-28676
AFTER

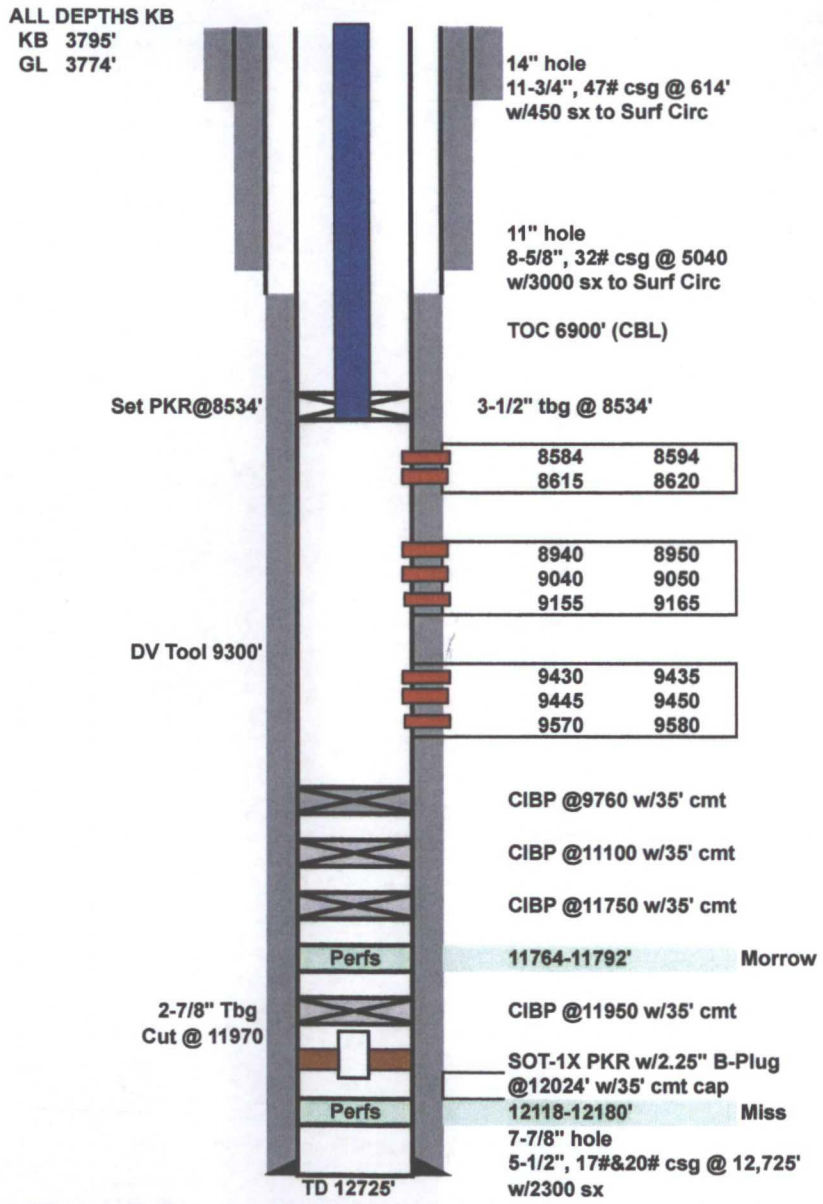
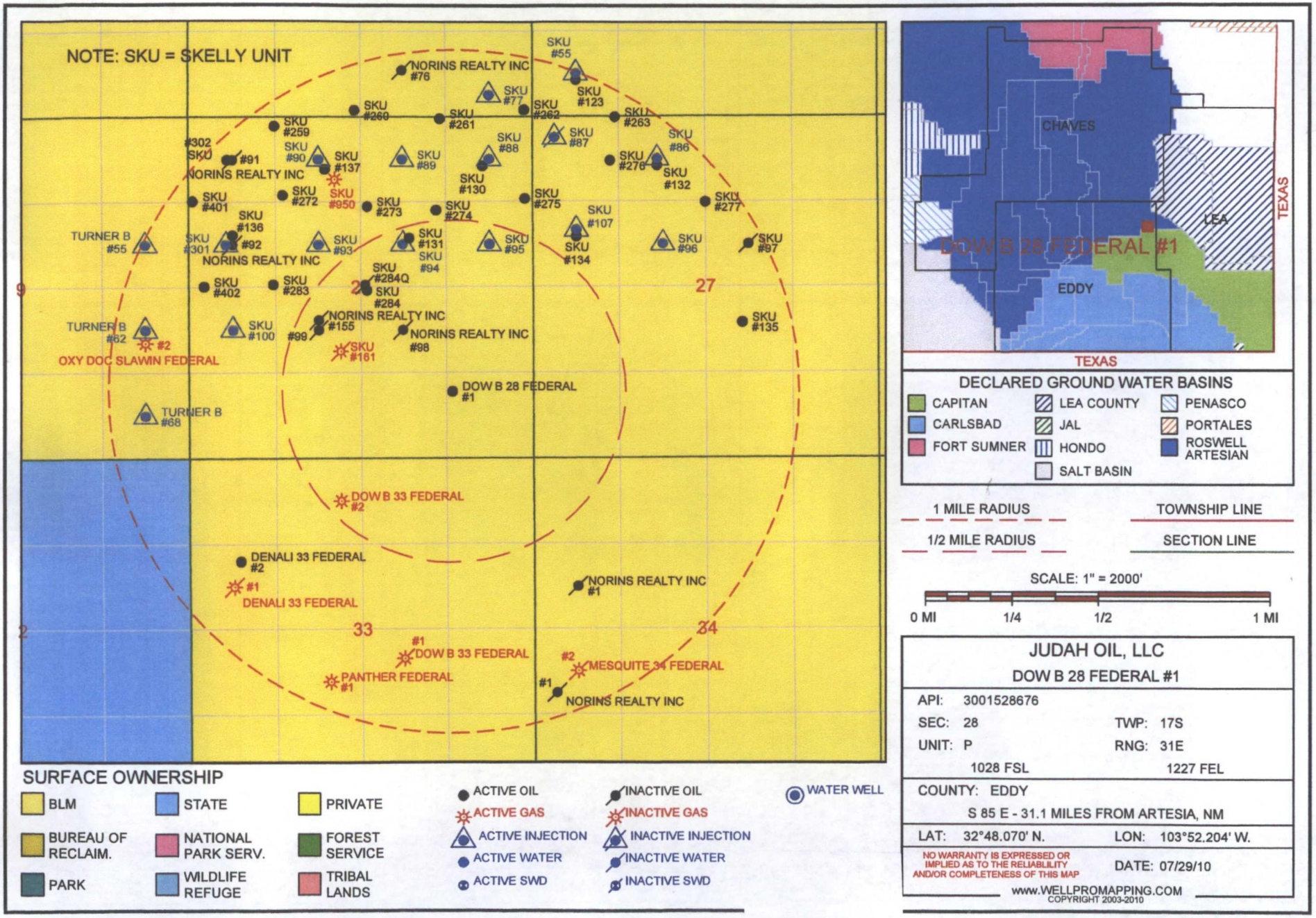


Exhibit "A"



DECLARED GROUND WATER BASINS

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

1 MILE RADIUS — TOWNSHIP LINE

1/2 MILE RADIUS — SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

SURFACE OWNERSHIP

- BLM
- STATE
- PRIVATE
- BUREAU OF RECLAIM.
- NATIONAL PARK SERV.
- FOREST SERVICE
- PARK
- WILDLIFE REFUGE
- TRIBAL LANDS

- ACTIVE OIL
- ACTIVE GAS
- ACTIVE INJECTION
- ACTIVE WATER
- ACTIVE SWD
- INACTIVE OIL
- INACTIVE GAS
- INACTIVE INJECTION
- INACTIVE WATER
- INACTIVE SWD
- WATER WELL

JUDAH OIL, LLC

DOW B 28 FEDERAL #1

API: 3001528676

SEC: 28 TWP: 17S

UNIT: P RNG: 31E

1028 FSL 1227 FEL

COUNTY: EDDY

S 85 E - 31.1 MILES FROM ARTESIA, NM

LAT: 32°48.070' N. LON: 103°52.204' W.

NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP

DATE: 07/29/10

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Exhibit"B"

Judah Oil,L.L.C.
Dow B 28 Federal # 001
Unit Letter P, Section 28, T17S, R31E
Eddy County, New Mexico
Possible pools disposing in Dow B 28 Federal # 001

Pool	Section	Township	Range	TDS	Chlorides
EMPIRE;ABO	27	17S	28E	224062	135900
ARTESIA;QUEEN-GRAYBURG-SAN ANDRES	28	17S	28E	237482	147300
ARTESIA; GLORIETA-YESO	33	17S	28E	206471	137940
EMPIRE; MORROW, SOUTH	31	17S	29E	35148	19800
EMPIRE; GLORIETA-YESO	19	17S	29E	213384	142829
CROW FLATS;MORROW	3	17S	27E	44318	27242
LOGAN DRAW;MORROW	11	17S	27E	8567	4604
RED LAKE;QUEEN-GRAYBURG-SA	3	18S	37E	217737	146435

Data obtained from
http://octane.nmt.edu

Exhibit "D"

NM WAIDS

DATA MAPS HOME SCALE CORROSION

Water Samples for Well ELVIS 002
API = 3002533854
Formation = WOLF
Field = null
Current Water Production Information

Instructions:

Click For general information about this sample.

Click For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample ID to the mixing table.

Click 664 Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes and click Submit for multiple samples

The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
☐	3509	17S	32E	17	1368	78216	0	172	307	44579	4415	817
☐	3281	17S	32E	17	1151	73312	0	380	951	34886	8865	1330

☐ SELECT/DESELECT ALL

Submit

New Mexico Tech PRRC

This is the closest Wolfcamp water analysis available

Exhibit"E"

Judah Oil,L.L.C.
Dow B 28 Federal # 001
API # 30-015-28676
1028 FSL X 1227 FEL
Unit Letter "P", Section 28, T17S, R31E
Eddy County, New Mexico

Geological Data

The Wolfcamp formation in the Dow B 28 Federal # 001 is approximately 1200 feet thick and is a light to dark gray reefoid limestone of Permian age. Above the Wolfeamp is the Bone Springs formation and below the Wolfeamp is the Cisco or Canyon formation. The Wolfcamp in the area is usually a zone of lost circulation and is non productive of oil or gas.

There is no known fresh water strata underlying the Wolfcamp formation.

No fresh water wells were identified or found in the 1 mile area of view. Fresh water is contained in the alluvial fill from surface to the top of the Red Bed. Surface casing on oil and gas wells in the area average 616 feet.

Exhibit"F"

LEGAL NOTICE

Judah Oil,L.L.C. PO Box 568, Artesia, New Mexico 88211 has filed form C108(Application for Authorization to Inject) seeking administrative approval for the conversion of the Dow B 28 Federal # 001, API # 30-015-28676,
1028 FSL X 1227 FEL, Unit Letter"P", Section 28, T17S, R31E,
Eddy County, New Mexico from a shut in Cedar Lake Morrow gas well to a Wolfcamp commercial salt water disposal well. The disposal interval is the Wolfcamp formation through perforations 8584 feet to 9580 feet. Disposed fluid would be produced water trucked in from numerous producing formations in southeastern New Mexico. Anticipated disposal pressure of 0 psig with a maximum disposal pressure of 1716 psig. Anticipated disposal rate of 10000 barrels of water per day with a maximum disposal rate of 20000 barrels of water per day.
Well is located approximately 31.1 miles east of Artesia, New Mexico

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico
87505 with in 15 days. Additional information can be obtained by contacting Blaise Campanella 5757485488
Published in the Artesia Daily Press, Artesia, N.M., Feb. 29, 2012. Legal No 22042.

Affidavit of Publication

NO. 22042

STATE OF NEW MEXICO

County of Eddy:

Danny Scott Danny Scott

being duly sworn, says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/days on the same day as follows:

First Publication February 29, 2012

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

29th day of Feburary 2012

OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 5/12/2015

Latisha Romine

Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Judah Oil,L.L.C. PO Box 568, Artesia, New Mexico 88211 has filed form C108(Application for Authorization to Inject) seeking administrative approval for the conversion of the Dow B 28 Federal # 001, API # 30-015-28676,
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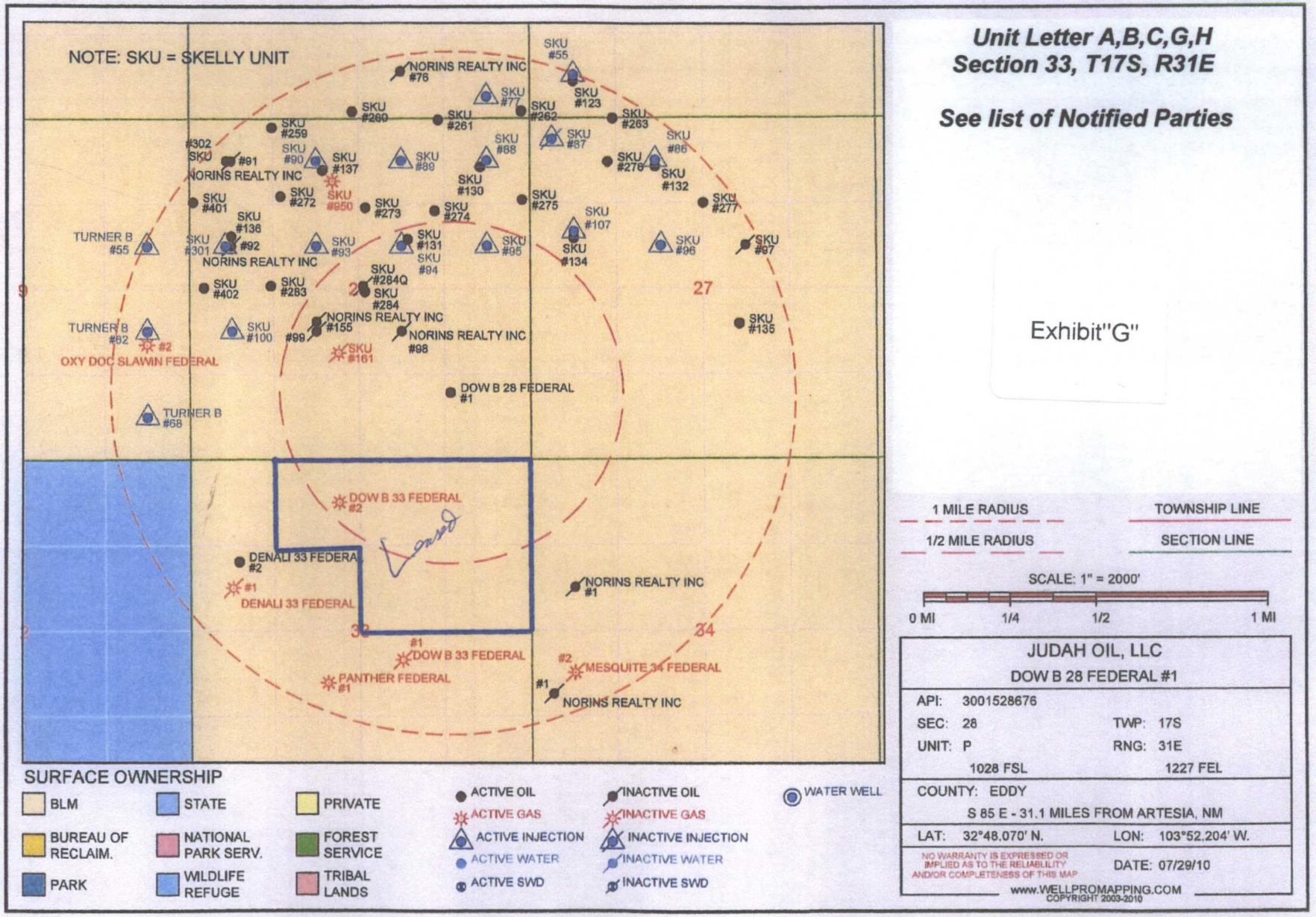

Unit Letter A,B,C,G,H
Section 33, T17S, R31E

See list of Notified Parties

Exhibit"G"

1 MILE RADIUS
1/2 MILE RADIUS
TOWNSHIP LINE
SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

JUDAH OIL, LLC	
DOW B 28 FEDERAL #1	
API: 3001528676	
SEC: 28	TWP: 17S
UNIT: P	RNG: 31E
1028 FSL	1227 FEL
COUNTY: EDDY	
S 85 E - 31.1 MILES FROM ARTESIA, NM	
LAT: 32°48.070' N.	LON: 103°52.204' W.
NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP	DATE: 07/29/10

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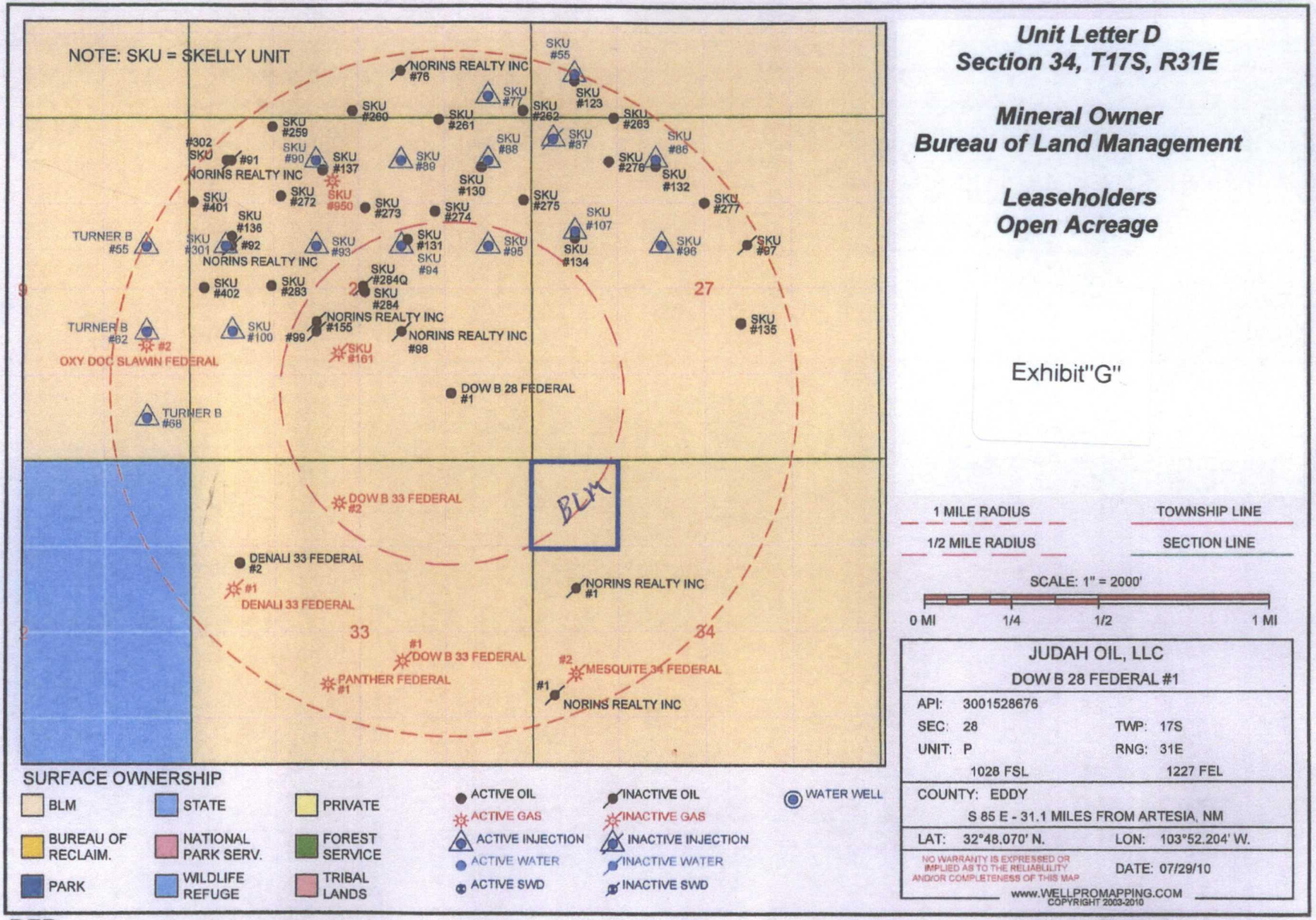

Unit Letter D
Section 34, T17S, R31E

Mineral Owner
Bureau of Land Management

Leaseholders
Open Acreage

Exhibit"G"

1 MILE RADIUS
1/2 MILE RADIUS
TOWNSHIP LINE
SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

JUDAH OIL, LLC	
DOW B 28 FEDERAL #1	
API: 3001528676	
SEC: 28	TWP: 17S
UNIT: P	RNG: 31E
1028 FSL	1227 FEL
COUNTY: EDDY	
S 85 E - 31.1 MILES FROM ARTESIA, NM	
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BEP

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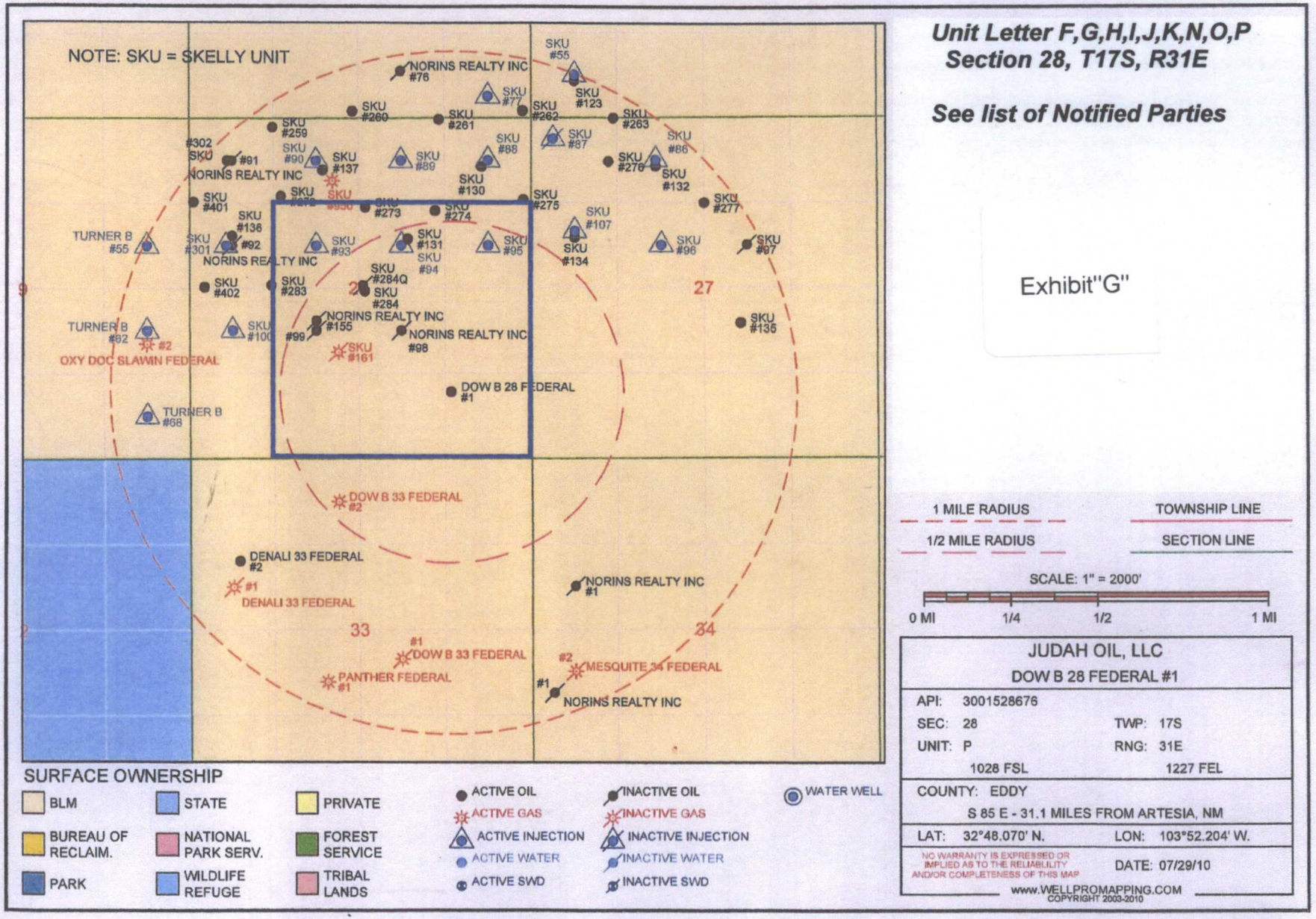

Unit Letter F,G,H,I,J,K,N,O,P
Section 28, T17S, R31E

See list of Notified Parties

Exhibit"G"

1 MILE RADIUS — TOWNSHIP LINE
1/2 MILE RADIUS — SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

SURFACE OWNERSHIP

BLM — STATE — PRIVATE
BUREAU OF RECLAIM. — NATIONAL PARK SERV. — FOREST SERVICE
PARK — WILDLIFE REFUGE — TRIBAL LANDS

ACTIVE OIL — INACTIVE OIL — WATER WELL
ACTIVE GAS — INACTIVE GAS
ACTIVE INJECTION — INACTIVE INJECTION
ACTIVE WATER — INACTIVE WATER
ACTIVE SWD — INACTIVE SWD

JUDAH OIL, LLC
DOW B 28 FEDERAL #1

API: 3001528676
SEC: 28 TWP: 17S
UNIT: P RNG: 31E
1028 FSL 1227 FEL
COUNTY: EDDY
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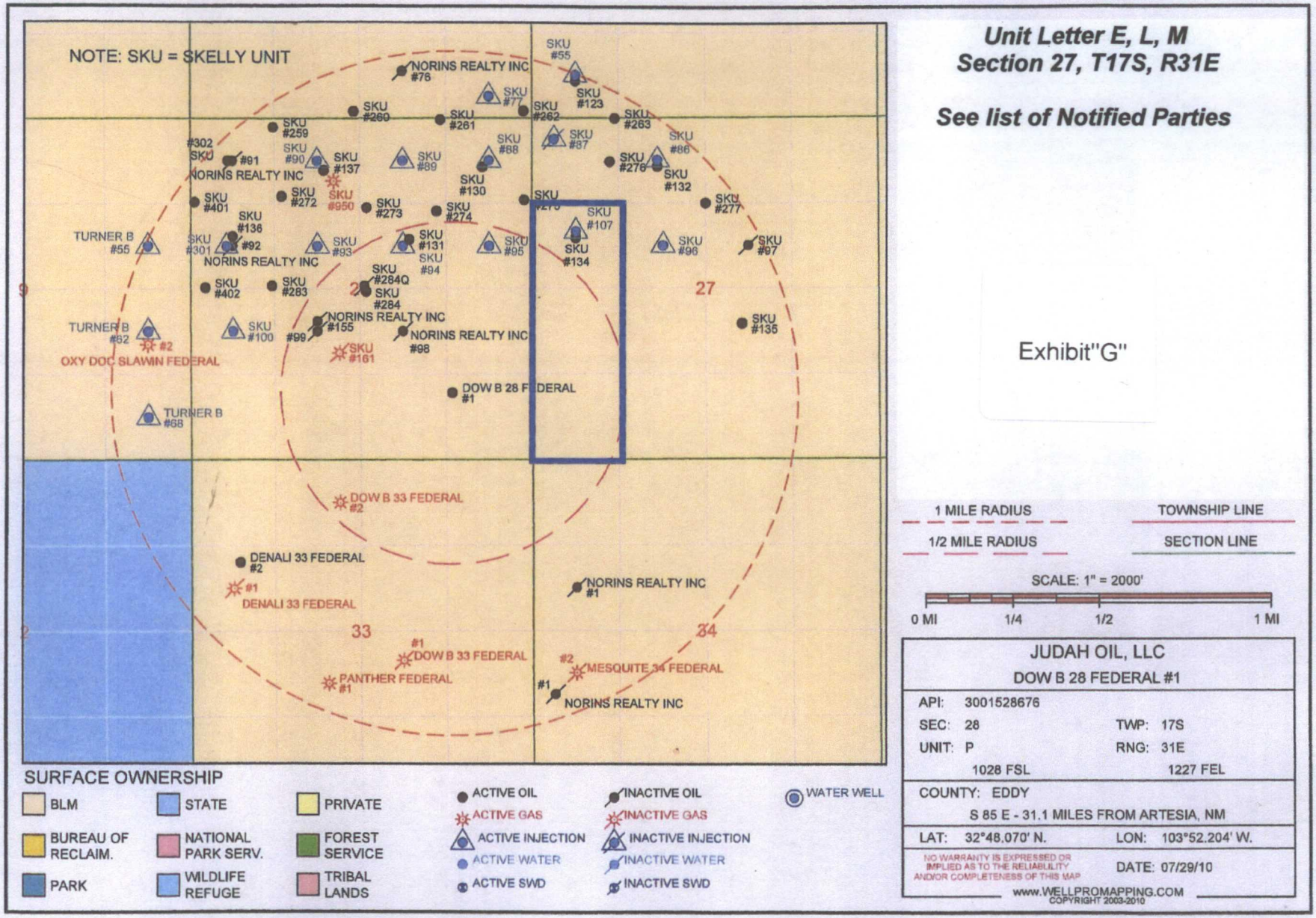

Unit Letter E, L, M
Section 27, T17S, R31E

See list of Notified Parties

Exhibit"G"

1 MILE RADIUS — TOWNSHIP LINE

1/2 MILE RADIUS — SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

JUDAH OIL, LLC	
DOW B 28 FEDERAL #1	
API: 3001528676	
SEC: 28	TWP: 17S
UNIT: P	RNG: 31E
1028 FSL	1227 FEL
COUNTY: EDDY	
S 85 E - 31.1 MILES FROM ARTESIA, NM	
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Judah Oil, LLC
Dow B 28 Federal # 1

Notified Parties

Section 27, T17S, R31E
Eddy County, New Mexico

Chevron USA Inc.
PO Box 1635
Houston, TX 77251-1635

Sandridge Exploration and Production, LLC
123 Robert S. Kerr Ave
Oklahoma City, OK 73102

Jean Long Trust
NO known address

Ernest Closuit Sr.
NO Known address

Estate of Ernest Closuit Jr.
616 Texas Street
Fort Worth, TX 76102

JCL Family LP
15 Greenway Plaza Suite G
Houston, TX 77046

R.M. Williams
PO Box 854
Hobbs, NM 88241

B.G. Davis
2021 N. Vega
Hobbs, NM 88241
Notified Parties

Section 27, T17S, R31E
Eddy County, New Mexico

Barry Antwell
PO Box 250
Hobbs, NM 88241

Notified Parties

Section 27, T17S, R31E
Eddy County, New Mexico

Mary Antwell
5410 Ledgestone Drive
Ft.Worth, TX 76132

Melanie and Larry Parker
13 Havenhill Rd
Artesia, NM 88210

Perry L. Hughes
1724 N. Guadalupe
Carlsbad, NM 88220

COG Operating,LLC
550 W. Texas Suite 1300
Midland,TX 79701

James D. Brown
321 West Grand Ave
Artesia, NM 88210

Mack C. Chase Trustee of the Mack C. & Marilyn Y. Chase Trust
P.O. Box 693
Artesia, NM 88210

Robert C. Chase & wife Deb E. Chase
2306 Sierra Vista Dr.
Artesia, NM 88210

Gerene Dianne Chase Crouch
P. O. Box 693
Artesia, NM 88210

Richard L. Chase & Karla Chase
505 S. Bolton Rd.
Artesia, NM 88210

Yeso Energy,Inc
PO Box 8280
Roswell, NM 88202

Judah Oil, LLC
Dow B 28 Federal # 1

Notified Parties

Section 28, T17S, R31E
Eddy County, New Mexico

Bureau of Land Management
602 E Green Street
Carlsbad, NM 88220

New Mexico Oil Conservation Division
District 2
811 S. First
Artesia, NM 88210

Chevron USA Inc.
PO Box 1635
Houston, TX 77251-1635

Levi Oil and Gas, LLC
PO Box 568
Artesia, NM 88210

Prizm Properties
NO known address

Sandridge Exploration and Production, LLC
123 Robert S. Kerr Ave
Oklahoma City, OK 73102

Jean Long Trust
NO known address

Ernest Closuit Sr.
NO Known address

Estate of Ernest Closuit Jr.
616 Texas Street
Fort Worth, TX 76102

JCL Family LP
15 Greenway Plaza Suite G
Houston, TX 77046

Exhibit"G"

Judah Oil, LLC
Dow B 28 Federal # 1

Notified Parties

Section 28, T17S, R31E
Eddy County, New Mexico

R.M. Williams
PO Box 854
Hobbs, NM 88241

B.G. Davis
2021 N. Vega
Hobbs, NM 88241

Barry Antwell
PO Box 250
Hobbs, NM 88241

Mary Antwell
5410 Ledgestone Drive
Ft.Worth, TX 76132

Melanie and Larry Parker
13 Havenhill Rd
Artesia, NM 88210

Perry L. Hughes
1724 N. Guadalupe
Carlsbad, NM 88220

David Brown Jr.
321 W. Grand Ave.
Artesia, NM 88210

COG Operating,LLC
550 W. Texas Suite 1300
Midland,TX 79701

Exhibit"G"

Judah Oil, LLC
Dow B 28 Federal # 1

Notified Parties
Section 33, T17S, R31E
Eddy County, New Mexico

Chevron USA Inc.
15 Smith Rd
Midland, TX 79705

Fuel Products Inc.
P.O. Box 3098
Midland, TX 79701

Samson Resources Inc.
Joint Interest Accounting
Two West Second St.
Tulsa, OK 74103-3103

J. M. Gahr
P.O. Box 1889
Midland, TX 79702

Larry Brazile
4406 Cherrywood
Midland, TX 79707

Marcus Luna
P.O. Box 1889
Midland, TX 79702

Sandra Lawlis
P.O. Box 1889
Midland, TX 79702

John A Mills Investments Inc.
P.O. Box 3821
Midland, TX 79702

Thomas Beall
P.O. Box 3098
Midland, TX 79701

Gahr Ranch & Investment Partnership LP
P.O. Box 1889
Midland, TX 79702

Legacy Reserves Operating,LP
P. O. Box 10848
Midland TX 79702

VF Petroleum Inc
PO Box 1889
Midland, TX 79702

Exhibit"G"

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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For delivery information visit our website at www.usps.com®
ARTESIA NM 88210 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8375 7753

Sent To DAVID BROWN JR
Street, Apt. or PO Box 321 W GRAND AVE
City, State ARTESIA NM 88210

PS Form ... Instructions

U.S. Postal Service™
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HOUSTON TX 77046 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8375 7760

Sent To ICL FAMILY LP
Street, Apt. or PO Box 15 GREENWAY PLAZA STE G
City, State, HOUSTON TX 77046

PS Form ... Instructions

U.S. Postal Service™
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FORT WORTH TX 76132 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8374 9697

Sent To MARY ANTWELL
Street, Apt. or PO Box 5410 LEDGESTONE DR
City, State FT WORTH TX 76132

PS Form ... Instructions

U.S. Postal Service™
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MIDLAND TX 79702 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8374 9703

Sent To LEGACY RESERVES OP LP
Street, Apt. or PO Box PO BOX 10848
City, State MIDLANT TX 79702

PS Form ... Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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CARLSBAD NM 88220 OFFICIAL USE

Postage	$ $1.90	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.20	02/28/2012

7011 2000 0000 8374 9765

BUREAU OF LAND MGMT
602 E GREEN STREET
CARLSBAD NM 88220

... Instructions

U.S. Postal Service™
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ARTESIA NM 88210 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8375 7722

Sent To NMOCD
Street, Apt. or PO Box DISTRICT 2
City, State 811 S FIRST
ARTESIA NM 88210

PS Form ... tions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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For delivery information visit our website at www.usps.com®

MIDLAND TX 79701 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: FUEL PRODUCTS INC
Street, Apt. No. or PO Box No.: PO BOX 3098
City, State, ZIP: MIDLAND TX 79701

PS Form 3800

7011 2000 0000 8374 9680

U.S. Postal Service™
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MIDLAND TX 79707 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: LARRY BRAZILE
Street, Apt. No. or PO Box No.: 4406 CHERRYWOOD
City, State, ZIP: MIDLAND TX 79707

PS Form

7011 2000 0000 8375 7746

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MIDLAND TX 79702 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: JOHN A MILLS INV INC
Street, Apt. No. or PO Box No.: PO BOX 3821
City, State, ZIP: MIDLAND TX 79702

PS Form

7011 2000 0000 8374 9673

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Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: MACK C CHASE TRUSTEE
MACK C & MARILYN Y CHASE TR
Street, Apt. No. or PO Box No.: PO BOX 693
City, State, ZIP: ARTESIA NM 88210

See Reverse for Instructions

7011 2000 0000 8375 7821

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OKLAHOMA CITY OK 73102 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: SANDRIDGE EXP & PROD LLC
Street, Apt. No. or PO Box No.: 123 ROBERT S KERR AVE
City, State, ZIP: OKLAHOMA CITY OK 73102

PS Form

7011 2000 0000 8374 9666

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MIDLAND TX 79702 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02 Postmark Here
Return Receipt Fee (Endorsement Required)	$2.35	
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: SANDRA LAWLIS
Street, Apt. No. or PO Box No.: PO BOX 1889
City, State, ZIP: MIDLAND TX 79702

PS Form

7011 2000 0000 8375 7791

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Postage	$ $1.70
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.00

0634
02
Postmark Here
02/28/2012

Sent To
GAHR RANCH & INV PART LP
Street, Apt. or PO Box
PO BOX 1889
City, State,
MIDLAND TX 79702

PS Form 3800, August 2006 See Reverse for Instructions

7011 2000 0000 8375 7784

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Postage	$ $1.70
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.00

0634
02
Postmark Here
02/28/2012

JAMES D BROWN
321 W GRAND AVE
ARTESIA NM 88210

See Reverse for Instructions

7011 2000 0000 8375 7777

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Postage	$ $1.70
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.00

0634
02
Postmark Here
02/28/2012

Sent To
LEVI OIL AND GAS LLC
Street, Apt. or PO Box
PO BOX 568
City, State,
ARTESIA NM 88210

PS Form 3800, August 2006 See Reverse for Instructions

7011 2000 0000 8374 9703

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Postage	$ $1.70
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.00

0634
02
Postmark Here
02/28/2012

Sent To
J M GAHR
Street, Apt. or PO Box
PO BOX 1889
City, State,
MIDLAND TX 79702

PS Form 3800, August 2006 See Reverse for Instructions

7011 2000 0000 8375 7807

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Postage	$ $1.70
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.00

0634
02
Postmark Here
02/28/2012

Sent To
GERENE DIANNE CHASE CROUCH
Street, Apt. or PO Box
PO BOX 693
City, State,
ARTESIA NM 88210

PS Form 3800, August 2006 See Reverse for Instructions

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HOBBS NM 88241 OFFICIAL USE

Postage	$ $1.70
Certified Fee	$2.95
Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $7.00

0634
02
Postmark Here
02/28/2012

Sent To
R M WILLIAMS
Street, Apt. or PO Box
PO BOX 854
City, State,
HOBBS NM 88241

PS Form 3800, August 2006 See Reverse for Instructions

7011 2000 0000 8375 7715

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ARTESIA NM 88210 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

Sent To: MELANIE & LARRY PARKER
Street, or PO: 13 HAVENHILL RD
City, S: ARTESIA NM 88210

7011 2000 0000 8374 9659

U.S. Postal Service™
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For delivery information visit our website at www.usps.com®
MIDLAND TX 79702 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total	$7.00	02/28/2012

Sent To: VF PETROLEUM INC
Street, or PO: PO BOX 1889
City, S: MIDLAND TX 79702

7011 2000 0000 8374 9628

U.S. Postal Service™
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For delivery information visit our website at www.usps.com®
MIDLAND TX 79701 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total	$7.00	02/28/2012

Sent To: COG OPERATING LLC
Street, or PO: 550 W TEXAS STE 1300
City, S: MIDLAND TX 79701

7011 2000 0000 8375 7708

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MIDLAND TX 79701 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Pos	$7.00	02/28/2012

Sent To: THOMAS BEALL
Street, Apt. or PO Box: PO BOX 3098
City, State: MIDLAND TX 79701

7011 2000 0000 8375 7685

U.S. Postal Service™
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MIDLAND TX 79702 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total	$7.00	02/28/2012

Sent To: MARCUS LUNA
Street, or PO: PO BOX 1889
City, S: MIDLAND TX 79702

7011 2000 0000 8374 9635

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TULSA OK 74103 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

Sent To: SAMSON RESOURCES INC
Street, Apt. or PO Box: JOINT INTEREST ACCOUNTING
City, State: TWO WEST SECOND ST
TULSA OK 74103-3103

7011 2000 0000 8375 7692

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HOUSTON TX 77251 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8375 7678

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
CHEVRON USA INC
PO BOX 1635
HOUSTON TX 77251-1635

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
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FORT WORTH TX 76102 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

7011 2000 0000 8375 7661

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
ESTATE OF ERNEST CLOSUIT JR
616 TEXS ST
FORT WORTH TX 76102

PS Form 3800, August 2006 See Reverse for Instructions

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HOBBS NM 88241 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

7011 2000 0000 8374 9654

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
BARRY ANTWELL
PO BOX 250
HOBBS NM 88241

PS Form 3800, August 2006 See Reverse for Instructions

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HOBBS NM 88241 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

7011 2000 0000 8374 9604

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
B G DAVIS
2021 N VEGA
HOBBS NM 88241

PS Form 3800, August 2006 See Reverse for Instructions

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CARLSBAD NM 88220 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

7011 2000 0000 8374 9611

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
PERRY L HUGHES
1724 N GUADALUPE
CARLSBAD NM 88220

PS Form 3800, August 2006 See Reverse for Instructions

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

ARTESIA NM 88210 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$7.00	02/28/2012

7011 2000 0000 8374 9727

Sent To
Street, Apt. No., or PO Box
City, State, ZIP+4
RICHARD L & KARLA CHASE
505 S BOULTON RD
ARTESIA NM 88210

PS Form 3800, August 2006 See Reverse for Instructions

7011 2000 0000 8374 9734

U.S. Postal Service™
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(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®
ROSWELL NM 88202 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

YESO ENERGY INC
PO BOX 8280
ROSWELL NM 88202

7011 2000 0000 8375 7814

U.S. Postal Service™
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(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®
ARTESIA NM 88210 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

ROBERT C & DEB E CHASE
2306 SIERRA VISTA DR
ARTESIA NM 88210

7011 2000 0000 8374 9741

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®
MIDLAND TX 79705 OFFICIAL USE

Postage	$ $1.70	0634
Certified Fee	$2.95	02
Return Receipt Fee (Endorsement Required)	$2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	
Total Postage & Fees	$ $7.00	02/28/2012

Sent To CHEVRON USA INC
Street, Apt. or PO Box 15 SMITH ROAD
City, State MIDLAND TX 79705

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
MORROW CLASTICS	11,566'	11,900'	SANDSTONE & SHALE	RUSTLER	690'
				YATES	1,925'
				SEVEN RIVERS	2,272'
				BOWERS SAND	2,696'
				QUEEN	2,914'
				PENROSE	3,081'
				GRAYBURG	3,282'
				SAN ANDRES	3,653'
				BONE SPRING	6,760'
				2ND SAND	7,370'
				3RD SAND	8,160'
				WOLFCAMP	8,338'
				STRAWN	10,806'
				ATOKA	10,968'
				MORROW	11,310'
				MISSISSIPPIAN	11,900'

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
MORROW CLASTICS	11566'	11900'	SANDSTONE & SHALE

38. GEOLOGIC MARKERS

NAME	TOP MEAS. DEPTH
RUSTLER	690'
YATES	1925'
SEVEN RIVERS	2272'
BOWERS SAND	2696'
QUEEN	2914'
PENROSE	3081'
GRAYBURG	3282'
SAN ANDRES	3653'
BONE SPRING	6760'
2ND SAND	7370'
3RD SAND	8160'
WOLFCAMP	8338'
STRAWN	10806'
ATOKA	10968'
MORROW	11310'
MISSISSIPPIAN	11900'

DOW "B" -33- FEDERAL WELL No. 2

CASING AND CEMENT PROGRAM:

The casing and cementing programs are detailed on Form 3160-3. All casing will be new.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface.

Intermediate Casing - Centralize the bottom 3 joints.

Production Casing - Centralize every other joint from TD to 10675' and above and below the DV Tool at 8850'.

MUD PROGRAM:

Depth	Type	Weight	Viscosity
0'-600'	Fresh Water	8.34	28
600'-5100'	Brine	10.0	29
5100'-10500'	Fresh Water	8.34	28
10500'-12100'	FW-Pac	9.0-9.5	30-35

LOGGING, TESTING:

GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL, and GR-BHC-SONIC surveys will be run.

A two-man Mud Logging Unit will be used from 2500' to 12100'.

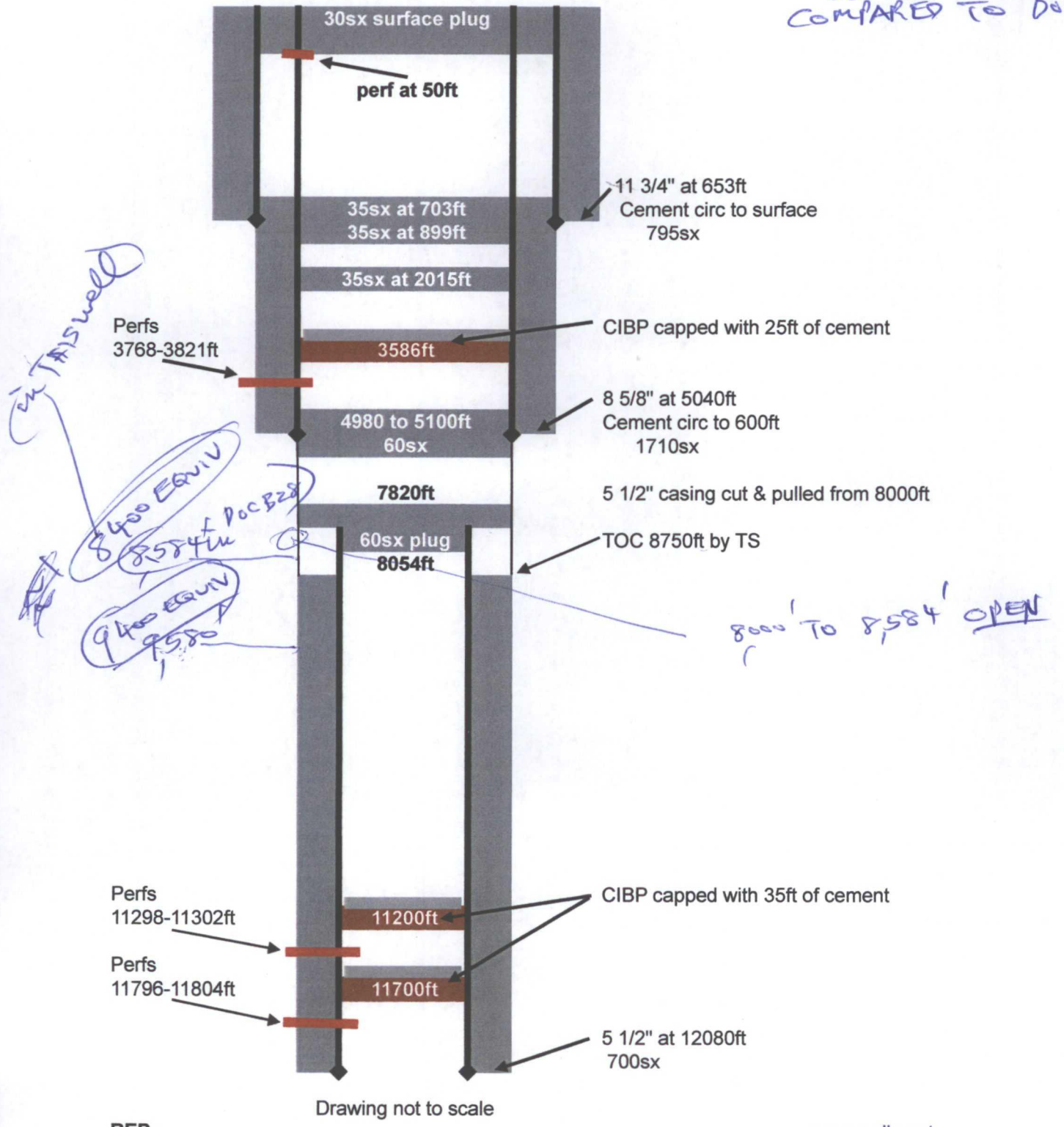
Drill stem tests may be conducted in the Wolfcamp and Morrow, if needed.

No cores will be taken.

Skelly Unit # 161
API # 30-015-28140
UL"K", Sec.28,T17S,R31E
Eddy, County, NM
Current well bore

PA 12/29/2001

This well = ≈ 150' UP STRUCTURE or MORE COMPARED TO DOWB 28 Fed #1



Drawing not to scale

BEP

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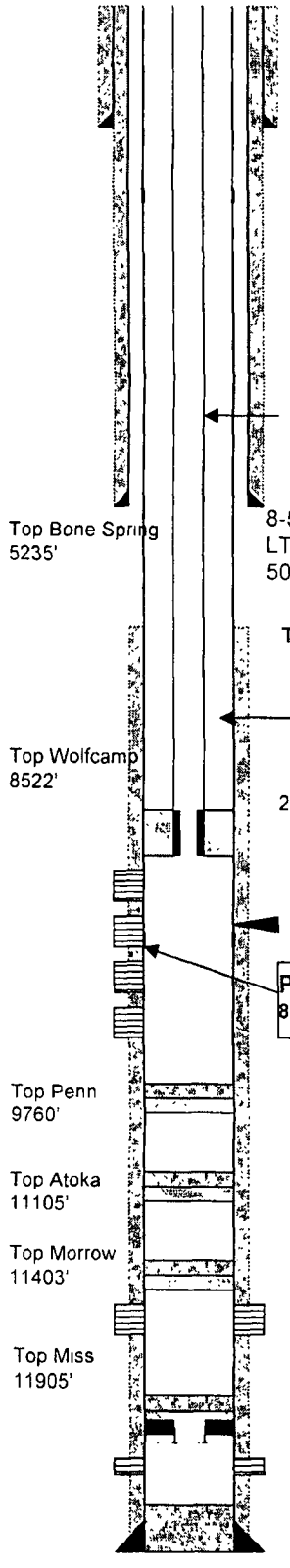
Exhibit "C"

Yeso Energy Inc.
Proposed Wellbore Diagram.



Elevation 3774' GL	
Date Spud: 11/17/95	
Date TD'd. 01/09/96	
Date Completed. 02/07/96	

Zone	Frac
Morrow	5000 gal 7 5% Acid + 50,000 gal Binary Foam with 56,000# 20/40 Interprop.
Miss.	12,750 Gal 15% NEFE + 50 Tons CO2.

Date	
2-7-1996	Original well completions.
	No work on well since original completion in 2/96.
7-8-2002	Installed automatic soap stick launcher
8-5-2009	RU slick line. GIH to pkr at 12024'. No Fluid in the tubing down to the packer Set Baker 2.25" blanking plug "F" profile nipple Test plug & tubing to 5000 psi—OK. SI tbg & abandon Miss
	Morrow flowing up 5.5" csg. Shut in.
	Mississippian flowing up 2 7/8" tbg. Abandoned
8-6-2009	Well shut in for buildup.
8-9-2009	SITP-0. SICP—720 psi. Swab fluid level in tbg
	Down to 5000' from surface. Open sliding sleeve
	At 11,820' Swab tbg down to sliding sleeve.
	FTP—50 psi FCP—90 psi. Flow 9 mcf/d rate
8-10-2009	Swab down to sliding sleeve—no fluid.
	Flowing 9 mcf/d.

Last Well Test: 8/10/2009	**9 mcf/d**

Yeso Energy Inc.
Dow "B" 28 Fed #1
API #: 30-015-28676
Sec 28-T17S-R31E
Eddy County, NM
Proposed Wellbore **-Plug back**

	RAD	API	OPERATOR	LEASE	NUM	T	S	TWN	RNG	SEC	UL	TVD
		3001528676	YESO ENERGY INC	DOW B 28 FEDERAL	#1	O	A	17S	31E	28	P	12725
1	**1216**	**3001505440**	**SKELLY**	**NRI**	**#98**	**O**	**P**	**17S**	**31E**	**28**	**J**	**3780**
2	**1837**	**3001528140**	**WISER**	**SU**	**#161**	**G**	**P**	**17S**	**31E**	**28**	**K**	**12080**
3	**2040**	**3001529314**	**FOREST**	**SU**	**#284**	**O**	**A**	**17S**	**31E**	**28**	**J**	**4025**
4	**2127**	**3001528976**	**WISER**	**SU**	**#284Q**	**O**	**P**	**17S**	**31E**	**28**	**G**	**4150**
5	**2273**	**3001504829**	**TEXACO**	**NRI**	**#99**	**O**	**P**	**17S**	**31E**	**28**	**K**	**3780**
6	**2335**	**3001505441**	**FOREST**	**SU**	**#95**	**I**	**A**	**17S**	**31E**	**28**	**H**	**3783**
7	**2339**	**3001522533**	**TEXACO**	**NRI**	**#155**	**O**	**P**	**17S**	**31E**	**28**	**K**	**2680**
8	**2391**	**3001504884**	**FOREST**	**SU**	**#94**	**I**	**A**	**17S**	**31E**	**28**	**G**	**3767**
9	**2413**	**3001527675**	**V-F**	**DOW B 33 FEDERAL**	**#2**	**G**	**A**	**17S**	**31E**	**33**	**C**	**12100**
10	**2456**	**3001522265**	**FOREST**	**SU**	**#131**	**O**	**A**	**17S**	**31E**	**28**	**G**	**2600**
11	2812	3001529210	FOREST	SU	#274	O	A	17S	31E	28	G	3950
12	3044	3001522268	FOREST	SU	#134	O	A	17S	31E	27	E	
13	3065	3001504885	FOREST	SU	#93	I	A	17S	31E	28	F	
14	3125	3001520410	FOREST	SU	#107	I	A	17S	31E	27	E	
15	3144	3001529239	FOREST	SU	#273	O	A	17S	31E	28	G	3950
16	3174	3001528881	FOREST	SU	#275	O	A	17S	31E	28	A	4000
17	3223	3001529227	FOREST	SU	#283	O	A	17S	31E	28	E	4000
18	3516	3001522264	FOREST	SU	#130	O	A	17S	31E	28	A	
19	3520	3001505432	FOREST	SU	#100	I	A	17S	31E	28	L	
20	3557	3001505486	SUNRAY	NRI	#1	O	P	17S	31E	34	H	
21	3631	3001505426	FOREST	SU	#88	I	A	17S	31E	28	A	
22	3665	3001505429	FOREST	SU	#89	I	A	17S	31E	28	B	
23	3744	3001532437	CHEVRON	SU	#950	G	A	17S	31E	28	C	12095
24	3937	3001505424	FOREST	SU	#96	I	A	17S	31E	27	F	
25	3959	3001522506	FOREST	SU	#137	O	A	17S	31E	28	C	
26	4009	3001529064	FOREST	SU	#272	O	A	17S	31E	28	C	3987
27	4080	3001505431	TEXACO	NRI	#92	O	P	17S	31E	28	E	
28	4139	3001505428	FOREST	SU	#90	I	A	17S	31E	28	C	
29	4153	3001529860	FOREST	SU	#402	O	A	17S	31E	28	E	3988
30	4162	3001529496	FOREST	SU	#301	I	A	17S	31E	28	E	3950
31	4165	3001522481	FOREST	SU	#136	O	A	17S	31E	28	E	
32	4189	3001527068	OXY	DOW 33	#1	G	P	17S	31E	33	J	12050
33	4192	3001532164	V-F	DENALI	#2	O	A	17S	31E	33	E	11950
34	4215	3001505420	FOREST	SU	#87	I	P	17S	31E	27	D	

Exhibit "C"

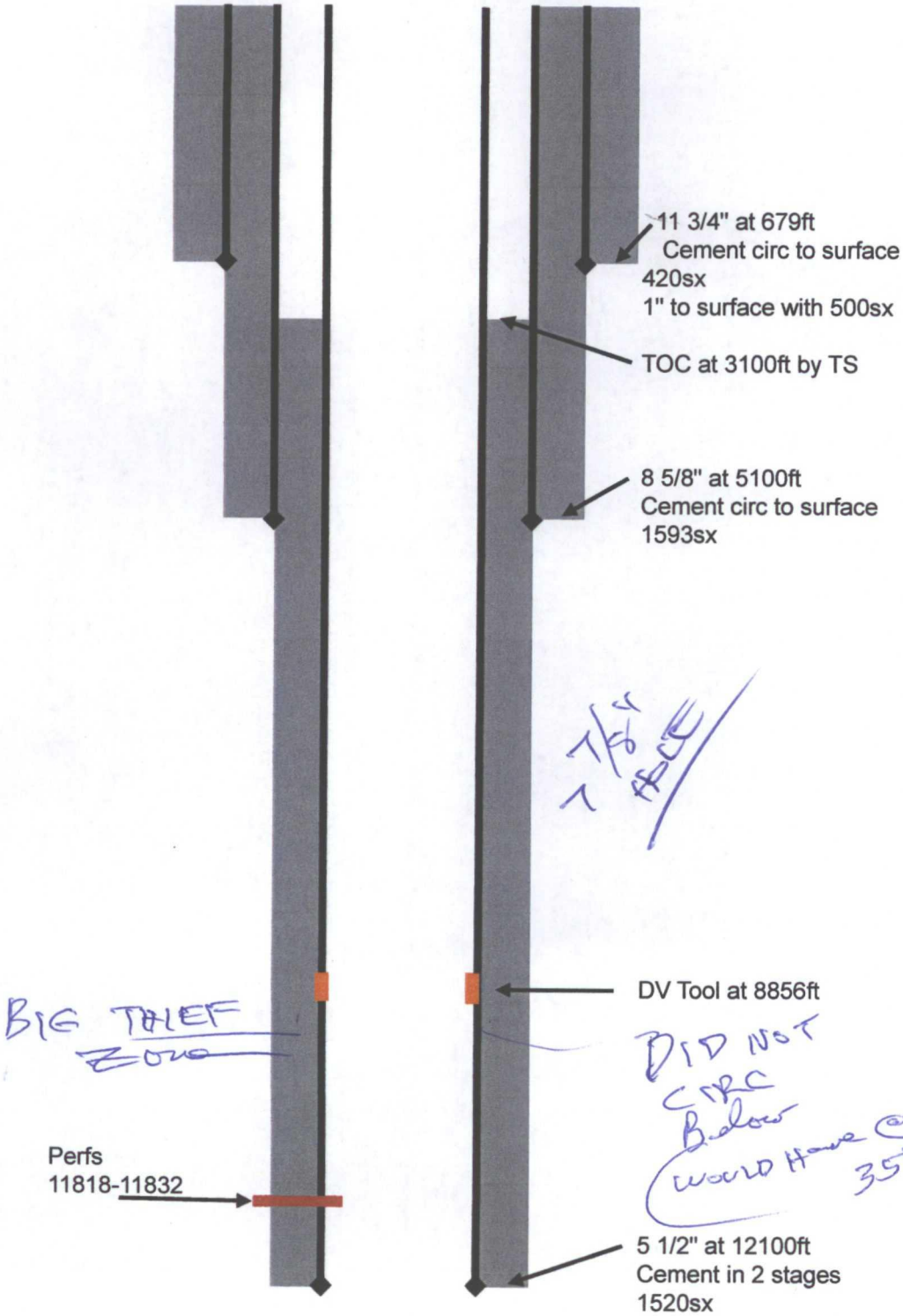
35	4221	3001528812	FOREST	SU	#261	O	A	17S	31E	28	B	3950
36	4302	3001529225	FOREST	SU	#276	O	A	17S	31E	27	D	3950
37	4487	3001528789	FOREST	SU	#262	O	A	17S	31E	21	P	3950
38	4525	3001531723	EOG	DENALI	#1	G	P	17S	31E	33	E	11925
39	4547	3001522269	FOREST	SU	#135	O	A	17S	31E	27	G	
40	4603	3001528811	FOREST	SU	#260	O	A	17S	31E	21	N	3950
41	4610	3001505340	FOREST	SU	#77	I	A	17S	31E	21	P	
42	4688	3001522266	FOREST	SU	#132	O	A	17S	31E	27	C	
43	4720	3001530318	DEVON	MESQUITE	#2	G	P	17S	31E	34	L	12200
44	4728	3001505452	MERIT	TURNER B	#68	I	A	17S	31E	29	P	
45	4764	3001505421	FOREST	SU	#86	I	A	17S	31E	27	C	
46	4775	3001532585	OXY	DOC SLAWIN	#2	G	A	17S	31E	29	I	11880
47	4810	3001505449	MERIT	TURNER B	#62	I	A	17S	31E	29	I	
48	4845	3001528967	FOREST	SU	#277	O	A	17S	31E	27	G	4100
49	4860	3001529142	V-F	PANTHER	#1	G	A	17S	31E	33	K	11940
50	4910	3001505483	WESTERN	NRI	#1	O	P	17S	31E	34	H	
51	4912	3001529184	FOREST	SU	#263	O	A	17S	31E	27	D	3900
52	4936	3001505427	TEXACO	NRI	#91	O	P	17S	31E	28	D	
53	4939	3001528975	FOREST	SU	#259	O	A	17S	31E	28	D	4000
54	4962	3001529817	FOREST	SU	#401	O	A	17S	31E	28	D	3950
55	4989	3001529712	FOREST	SU	#302	O	A	17S	31E	28	D	3800
56	5026	3001505336	TEXACO	NRI	#76	O	P	17S	31E	21	O	
57	5058	3001505425	WISER	SU	#97	O	P	17S	31E	27	G	
58	5165	3001522257	FOREST	SU	#123	O	A	17S	31E	22	M	
59	5232	3001505444	MERIT	TURNER B	#55	I	A	17S	31E	29	H	
60	5257	3001505349	FOREST	SU	#55	I	A	17S	31E	22	M	

SU=SKELLY UNIT
NRI= NORINS REALTY INC
Wells in 0.5 mile AOR

Exhibit "C"

VF Petroleum
Dow B 33 Federal # 002
API # 30-015-27675
UL"C", Sec.33,T17S,R31E
Eddy, County, NM

Producing from Cedar Lake; Morrow, East (Gas) Pool



Drawing not to scale

BEP

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Exhibit "C"

Proposals by Judah Oil, L.L.C. for commercial SWD conversions:

Oxy Doc Slawin Federal #2 - 30-015-32585

1. Judah Oil, L.L.C. is not the operator of this well. Therefore, until they are operator, BLM will object to the application.
2. Well is showing shut-in since July 2011.
3. The well is still operated by OXY USA WTP, Ltd.
4. The current or future operator will need to verify that there is no production in paying quantities in the zones up to the base of the San Andres as the well was drilled for hydrocarbons and all zones shall be depleted prior to conversion. The San Andres and formations above are in a lease waterflood.
5. In addition, the production casing cement job would require remedial cementing as the top of cement is within 460' of the proposed upper perforation and does not tie back to the intermediate casing.
6. The proposed plug back schematic does not meet BLM requirements.
7. According to the completion report, the Wolfcamp starts at 8544', 384' below what operator has proposed for perforations. Perforation zone would need to be verified that it is all Wolfcamp.
8. Application references the Tracey 29 Federal 1, which was renamed the Biscuit Hills SWD 1, and this well was not plugged correctly as the top of Morrow and DV tool were not covered – final plugging requirements will need to address this.

Dow B 28 Federal 2 – 30-015-28676

The following would have to be addressed prior to BLM approving this well as an injection well.

1. The production casing cement job would require remedial cementing as the top of cement does not tie back to the intermediate casing.
2. The operator will need to verify that there is no production in paying quantities in any formation from the top of the Morrow to surface. This well was drilled for hydrocarbons and all zones shall be depleted prior to conversion.
3. The proposed plug back schematic does not meet BLM requirements.
4. The Skelly Unit #161 plugging would be more acceptable if the stub plug extended to below the TOC by TS. This could be a potential problem in the long term.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, October 21, 2011 4:41 PM
To: 'billy@pwllc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; 'Wesley_Ingram@blm.gov'; Dade, Randy, EMNRD
Subject: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet

Hello Bill and Blaise,

The SKU #161 30-015-28140 which is the plugged AOR well, has about 700 feet uncovered section just above your intended disposal interval. It seems unproductive to me, but we need an opinion from a petrophysicist (log analyst) for our records. Please ask that person to also evaluate the entire proposed disposal interval. Next time there is an uncemented AOR well similar to this, just include the increased depth range in the formal notices and newspaper notice even if you intend not to utilize the entire interval. That means more eyes will be looking for any possible interest.

V-F Petroleum operates the active deep gas well in the AOR – would you please send them a notice? Done 11/3/11

Please also obtain a Change of Operator from Yeso to Judah – our records still show that entity as operator and they have 5.9 issues. So I can't issue the disposal permit until that happens.

The BLM sent a note with some concerns. As you know, the OCD can issue a permit for disposal, but since this is a federal well – the actual use of this well is subject to BLM terms and requirements.

Cancelled 10/21/11

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

Jones, William V., EMNRD

From: james campanella [judahoil@yahoo.com]
Sent: Tuesday, October 25, 2011 10:28 AM
To: Jones, William V., EMNRD
Subject: Re: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet

Hello Will,
I am having an Independent Geologist look over the logs on the SKU 161 well and write up a report. I will send it to you when it is finished.

I will make sure VF Pet receives a copy of the permit. They have already contacted me to see if they can dispose of there lease water with us.

I will speak with Dorthy Phillips and get our CO finished up. I think I have to enter into an Agreed Compliance Order . The State has removed Yeso as Operator.

Could you let me know who I need to contact with the BLM office. I need to know who sent you their request.

Thanks a bunch and have a Great day,

Blaise

James B. Campanella
Judah Oil, LLC
PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)

From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: "billy@pwllc.net" <billy@pwllc.net>; Blaise Campanella <judahoil@yahoo.com>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>; "Sanchez, Daniel J., EMNRD" <daniel.sanchez@state.nm.us>; "Wesley_Ingram@blm.gov" <Wesley_Ingram@blm.gov>; "Dade, Randy, EMNRD" <Randy.Dade@state.nm.us>
Sent: Friday, October 21, 2011 4:40 PM
Subject: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet

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Thanks for the reply back.

Go Sooners!!

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: james campanella [mailto:judahoil@yahoo.com]
Sent: Tuesday, October 25, 2011 10:28 AM
To: Jones, William V., EMNRD
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Blaise

James B. Campanella
Judah Oil, LLC
PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)

From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: "billy@pwllc.net" <billy@pwllc.net>; Blaise Campanella <judahoil@yahoo.com>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>; "Sanchez, Daniel J., EMNRD" <daniel.sanchez@state.nm.us>; "Wesley_Ingram@blm.gov" <Wesley_Ingram@blm.gov>; "Dade, Randy, EMNRD" <Randy.Dade@state.nm.us>
Sent: Friday, October 21, 2011 4:40 PM
Subject: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet

Hello Bill and Blaise,

Jones, William V., EMNRD

From: james campanella [judahoil@yahoo.com]
Sent: Monday, December 05, 2011 3:39 PM
To: Jones, William V., EMNRD
Subject: Re: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet

Hello Will,
We have met with Wesley Ingram with the BLM and we have addressed their issues. He said he has no problem with our permits with the information we gave him. We are writing up a formal report for him and will send you a copy for your records.

We are going to reduce our injection interval on the Oxy Doc Slawin #2. We are going to remove the perfs 8072-8320. Will we need to send out a revised permit or can this be handled by a letter from us to you stating our intentions? We have also identified the top of the Wolfcamp formation and it covers all of our proposed perfs. This top was identified by Bryan Arrant who was working for the NMOCD at the time.

We have the CO from Yeso Energy for the Dow B 28 Fed #1 well and have sent it to the Artesia NMOCD office for approval.

Bill Prichard has sent VF Pet a copy of our Dow B permit for required notification.

Please let me know if you have any ferther question concerning the Dow B 28 Fed #1 or the Oxy Doc Slawin Fed #2 wells.

Thanks for your time.

Blaise

James B. Campanella
Judah Oil, LLC
PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)

From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: james campanella <judahoil@yahoo.com>
Sent: Tuesday, October 25, 2011 10:35 AM
Subject: RE: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet

Hello Blaise,
Wesley Ingram sent me an email with an evaluation of the application. So probably someone in his group looked at this...

Jones, William V., EMNRD

From: billy@pwllc.net
Sent: Thursday, November 03, 2011 12:57 PM
To: Jones, William V., EMNRD
Cc: Blaise Campanella
Subject: RE: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet
Attachments: Proof of Notify VF.tif

Will, attached is copy of certified mail that was sent to V-F Petroleum today 11/3/2011.
Thanks
Billy (Bill) E. Prichard
Pueblo West Consulting
125 Greathouse Village
Decatur,TX 76234
432-934-7680 cellular
940-627-5449 fax
email; billy@pwllc.net

-------- Original Message --------
Subject: Disposal application from Judah Oil LLC: Dow B 28 Federal #1 30-015-28676 Wolfcamp from 8725 to 9580 feet
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
Date: Fri, October 21, 2011 5:40 pm
To: "billy@pwllc.net" <billy@pwllc.net>, Blaise Campanella <judahoil@yahoo.com>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>, "Sanchez, Daniel J., EMNRD" <daniel.sanchez@state.nm.us>, "Wesley_Ingram@blm.gov" <Wesley_Ingram@blm.gov>, "Dade, Randy, EMNRD" <Randy.Dade@state.nm.us>

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JUDAH OIL, LLC

Cedar Lake Salt Water Disposal Project

Sections 28 and 29 T17S-R31E, Eddy Co. NM

Date : December 2011

DISCLAIMER – THIS REVIEW PREPARED BY VSW2 E&P, LLC (VSW2) IS BASED ON THE INFORMATION AVAILABLE FROM PUBLIC RECORDS AND PROVIDED BY JUDAH OIL, LLC AND ALL DATA IS ACCEPTED AS TRUE AND VALID. VSW2 DOES RECOGNIZE THAT ADDITIONAL DATA MAY EXIST IN ACTUAL WELL FILES WHICH ARE UNAVAILABLE. VSW2 DOES NOT GUARANTEE THE RESULTS OF ANY ACTIONS TAKEN BASED ON THIS REVIEW NOR DOES VSW2 ACCEPT ANY RESPONSIBILITY FOR ANY DECISIONS OR ACTIONS TAKEN BY JUDAH OIL, ANY PARTNERS TO JUDAH OIL, ANY ASSOCIATES OF JUDAH OIL AND/OR OTHER THIRD PARTIES OR AGENCIES (PRIVATE OR GOVERNMENTAL) WITH WHOM JUDAH OIL MAY SHARE THIS REVIEW.

Prepared by:

VSW2 E&P, LLC

Van S. Welch II, PE # 66291 State of Texas

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List of Figures

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Executive Summary

Preface

This review of the Cedar Lake SWD Project was prepared for **Judah Oil, LLC (Judah)** by **VSW2 E&P, LLC (VSW2)** of Duncan, Oklahoma. The project being developed includes installing SWD facilities (28-T17S-R31E) capable of injecting up to 30,000 BWPD. The project contemplates connecting three or four SWD wells to the injection facility. The current wells being considered are the Jamoca Federal SWD No 1 (Jamoca), Doc Slawin Federal No 2 (Doc 2) and Dow "B" 28 Federal No 1 (Dow B).

***Disclaimer** – This document was prepared under the supervision of VSW2. VSW2 does not accept any responsibility for any decisions or actions taken by Judah Oil (its Partners, any associates of Judah Oil, third-parties or governmental agencies) relative to this "Project Review". Due to the many uncertainties, relative data available, individual wells and reservoirs, VSW2 cannot make any guarantees or warrantees as to the best practices for future reservoir performance of the SWD wells as presented in this document. All surface facility designs (wellhead, transportation and SWD injection facilities) are as specified by Judah Oil, LLC.*

Summary of Results

As discussed in the review, surface wellhead, transportation and injection facilities have significant environmental and safety protection mechanisms. All Federal and State Regulations have been complied with; in addition, several non-requirement environmental and safety mechanisms are designed to be installed, as filed with the Regulatory Permits. VSW2 has reviewed each of the three wells being considered for water disposal. Based on all available information, the injection intervals to be perforated in each well should not cause any loss in current or future reservoir hydrocarbon recovery or any damages to any surrounding wells or surface/shallow water reservoirs.

Scope and Objectives

Scope

This review of the Cedar Lake SWD Project is to summarize the basic surface facility design and outline the environmental and safety mechanisms to be installed. The surface facilities are currently under construction and the status of this work will be reviewed. Each of the three wells proposed for salt water disposal are discussed. The Jamoca Federal SWD No 1 has already been completed and awaiting connection to the central water injection facilities. The Doc Slawin Federal No 2 and Dow "B" 28 Federal No 1 are discussed relative to their proposed injection perforation, hydrocarbon potential within the injection interval and any possibilities to cause damage to surrounding wells and/or shallow/surface fresh water reservoirs.

Objective

The objective is to demonstrate that all required Federal and State Regulatory Regulations have been complied with and provide technical assurance that the proposed injection will protect any and all potential hydrocarbon recovery and preserve the integrity of shallow/surface fresh water sources.

Cedar Lake SWD Project Review

Surface Facilities

Water Injection Facilities

The Cedar Lake SWD Water Injection Facilities are located in A-29-T17S-R31E approximately one-quarter mile south of State Highway 82 on County Road 222. The facilities were permitted under Federal ROW Serial Number: NM 125972. The basic design facilities being constructed include:

a. The water and oil storage tanks and separation facilities are contained within a 125' X 235' "Tank Facility" area which is 6' below grade and is lined with 2-40 mil poly liners. The reservoir is capable of containing 100% of all storage capacity. It is a sump drainage system capable of removing any spillage and/or natural water accumulations. Should the fluid level rise over 12" inside this area, a high level shut-off will shut off all electricity in the "Tank Facility" area and will send an alarm to a Judah Oil, on call, employee.

b. Water collection and storage consists of six 500 barrel fiberglass tanks with internal grounding, ten 1000 barrel fiberglass tanks with internal grounding, four 500 barrel steel unloading tanks, two 1000 barrel gunbarrel separators with internal grounding, and two 500 barrel skim oil storage tanks.

c. The system will be run by various transfer pumps located inside the "Tank Facility" area. These pumps will be operated by electronic Head Sensors and will have manual Head Switches for safety backup. Any tank levels that are too high or too low will shut off the transfer pumps and will send an alarm to a Judah Oil, on-call employee.

d. There will be a total of 7 commercial truck off-loading stations at ground level. Each station will have a 20 X 25 cement pad. The pads are on a +3 % grade so any spills will run into a channel and down into a cement ditch located in the "Tank Facility" area. It will then be pumped by a sump pump into the steel unloading tanks.

e. Two Lightning Static Lines will be installed over the Tank Facility along with four Lightning Rods to help protect the facility from lightning strikes. Should there be a loss of electrical power to the facility, an alarm will be sent to a Judah Oil, on call employee.

Water Transportation System Between Injection Facility and Wellhead

The injection water will flow to the injection wells via a four-inch high pressure, non-corrosive fiberglass pipeline with an API rating of 2500 psi. This line will be buried four feet below the surface. A high or low pressure kill safety switch will automatically shut down the injection pump should the pressure exceed or drop below the pressure settings. An alarm will then be sent to a Judah Oil, on call employee.

Injection Location and Well

Each injection well will be completed in accordance with the Federal and State Injection Permits and with any Federal and/or State special conditions. Sub-surface evaluations and completions are discussed in later sections. Each injection well's casing-tubing annuals will be tested in accordance to federal and state regulations prior to any injection.

At each well location there will be a 210 barrel tank set in a lined reservoir capable of holding the total fluid capacity of the tank. This tank will be filled with approximately four feet of packer fluid. A two-inch line will connect the tank and the 5-½ casing valve at the well so the 5-1/2 casing annulus will be constantly kept full with packer fluid. There will be only hydrostatic pressure on the casing annulus. A tank sensor gauge will monitor any (±2 feet) gain or loss of the tank volume, if either a high or low level are indicated, the disposal pump will automatically be shut off at the central facility and an alarm will be sent to a Judah Oil, on call employee. If a casing, packer, or tubing leak is detected, all appropriate governmental agencies will be immediately notified as required.

Cedar Lake Geology

General Geology of Local Injection Intervals

The Cedar Lake Project is located in Section 28 and 29 of T17S-R31E, Eddy County New Mexico, as shown in the location map, **Figure 1**. Within these two sections, the Biscuit Hill (Tracey 29 Fed on map) and Jamoca Fed 1 have been permitted for water injection. The Wolfcamp is the primary target for water injection in this area, although the Jamoca Fed. No. 1 was permitted for injection into the Wolfcamp and Cisco formations (which will be discussed in more detail later).

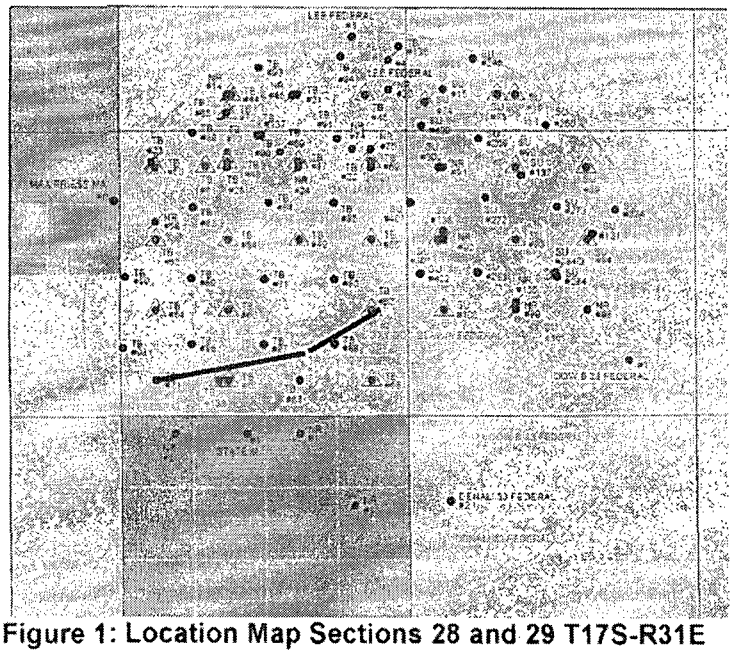

Figure 1: Location Map Sections 28 and 29 T17S-R31E

Figure 2, (x-sect Doc 1-Biscuit Hill-Doc 2), shows the top of the Wolfcamp is elusive to pick and within the review area it ranges from 8000 to 9000 feet. (Although, not technically studied, the Wolfcamp tops appear to be dependent on the geologist selecting the top and not on paleontology or faulting.) The Canyon and Cisco formations are easily correlated across the entire area as seen in **Figure 2**. (Note that the red correlation lines on figure 2 are drawn from gamma-ray to gamma-ray and not wellbore-to-wellbore.) Based on the major red gamma-ray correlation sections, the top of the Wolfcamp has been selected at three totally different stratigraphic events as compared to the Cisco and Canyon which are consistent.

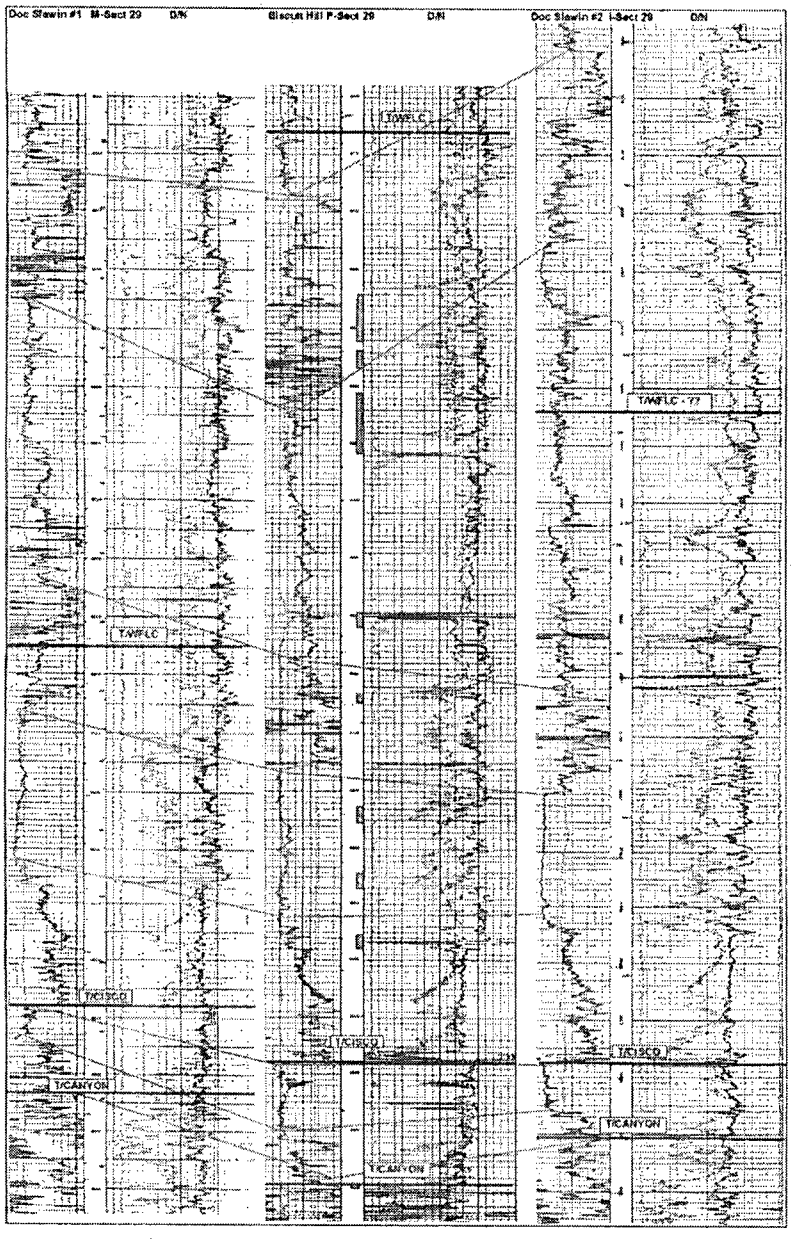

Figure 2: Correlations Canyon, Cisco and Wolfcamp Formations

Jamoca Fed SWD No 1 (A-29-T17S-R31E; API# 3001532265) Geology

At the time this report was published, the Jamoca Federal SWD No 1 (Jamoca) had been permitted, tested, completed (including mechanical integrity tested) and temporarily shut-in awaiting connection to injection facilities. Injection will commence prior to January 1st, 2012. **Figure 3** is the Density-Neutron log showing the perforated injection intervals.

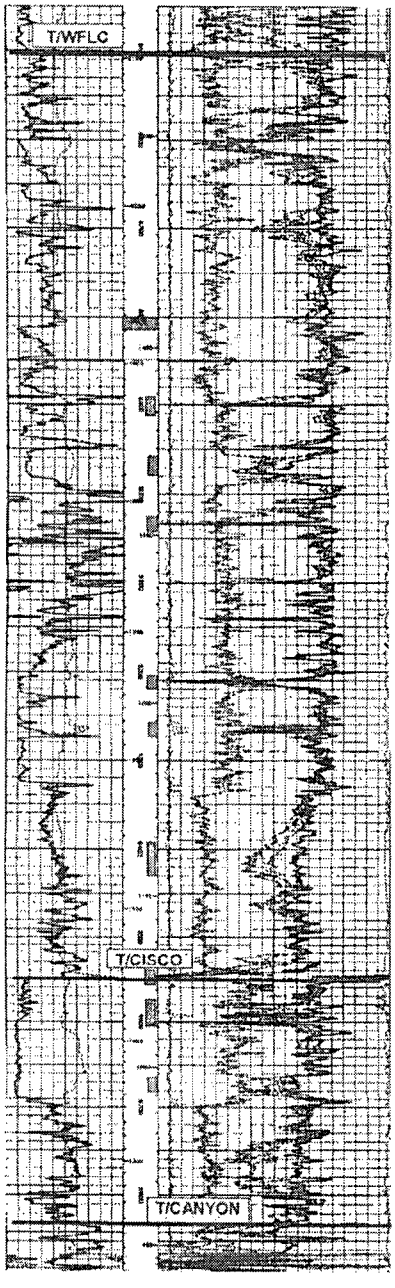

Figure 3: Jamoca Fed No 1 Log and Injection Perforations.

During completion, the Cisco formation was perforated and stimulated with 6000 gallons 28% FE acid and tested. The Cisco flowed slightly, gassy sulfur water and was isolated with a RBP. The Wolfcamp was perforated and stimulated with 6000 gallons 28% FE acid and didn't produce any fluids. The total perforated interval was step-rate-tested and showed a continuous straight-line pressure build-up with the rate ending at 5 BPM and 3000 psi. This testing confirmed that the well has low permeability and non-productive of hydrocarbons. The well is expected to have limited capacity and not impact any offsetting wells or potential hydrocarbon potential. Judah will be submitting a technical report to the BLM and OCD requesting a 2500 psi surface limiting pressure.

Doc Slawin Fed No 2 (A-29-T17S*R31E; API# 30-015-32585) Geology

Doc Slawin Fed No 2 Potential Upper Wolfcamp Interval

In the Doc Slawin Fed No. 2 (Doc 2) llC's C-108 SWD Application, it was proposed to inject into the Wolfcamp interval from 8160-9440 feet. As shown in **Figure 2**, at the time the original application was made, it was recognized that the Wolfcamp top in the Biscuit Hill (Tracey 29) was stratigraphically, significantly higher (8083 ft) than the questionable top picked by Brian Arrant, OCD (ref **Table 1**) at 8544 (???) feet and that water was being injecting into the higher stratigraphic section. Judah had George Scott III (GS), Petroleum Geologist, who has previously provided expert testimony in various NMOCD hearings (in Santa Fe), reviewed the Doc 2 and other wells in the area and he concluded that picking the top of the Wolfcamp in the absence of paleontology analysis was very difficult and subjective (he observes that this formation top varies regionally due to in part to a regional unconformity). As a result of the variations in stratigraphic picks of the Wolfcamp formation top, Judah is confining the injection interval from 8740 feet (approximately 200 feet below the 8544 feet top) to 9440 feet.

Table 1: Top Wolfcamp by OCD in Doc Slawin Fed No 2

NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

GEOLOGICAL TOPS

OXY USA WTP Limited Partnership
DOC Slawin Federal #2
Unit I, Sec. 29, T-17-S R-31-E
1780' FSL & 660' FEL
(G.L.-3749'; K.B.-3768')
Eddy Co., N.M.
30-015-32585

Geological Tops per/Bryan G. Arrant-OCD

Salado	707'
Base of Salt	1430'
Yates	1770'
Bowers	2577'
Queen	2814'
San Andres	3591'
Wolfcamp	8544'??
Strawn	10764'
Atoka	11007'
Morrow Clastics	11440'
Barnett	11742'

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505
Phone: (505) 476-3440 * Fax (505) 476-3462 * [illegible]

Doc Slawin Fed No 2 Wolfcamp Injection Interval from 8740-9440 feet

The Doc 2 injection interval from 8740-9440 feet (ref. **Figure 4**) Density/Neutron and Lateral Log) and surrounding wells were reviewed by GS for production potential.

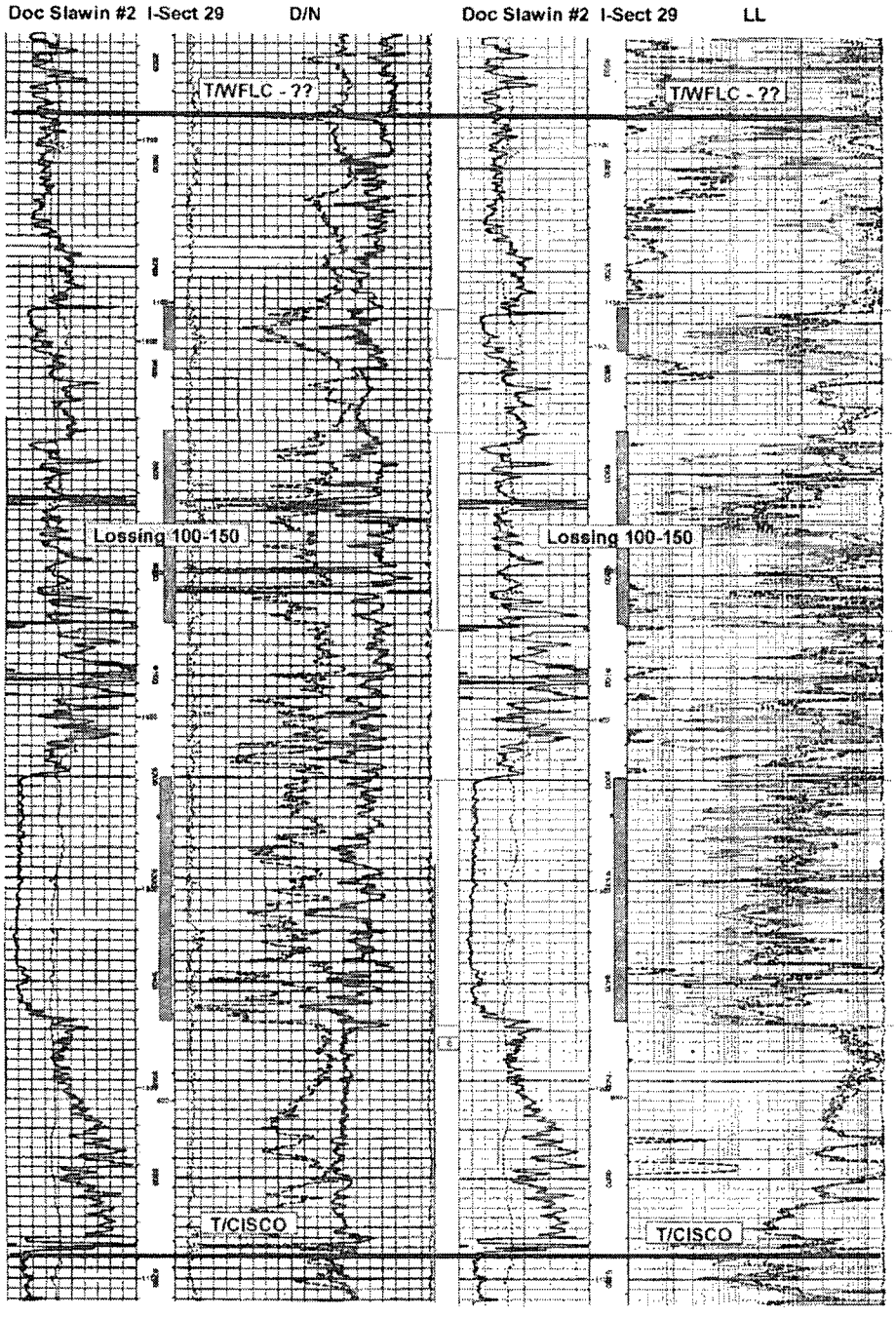

Figure 4: Doc Slawin Fed No 2 Density/Neutron and Lateral Logs

The Doc 2 Mud Log over the injection interval (ref. **Figure 5**) was reviewed. There was only one very minor gas show from 8920-8960 feet that averaged 50 total Gas Units. It had a sulfur water smell and didn't have any fluorescence or shows. GS ran log analysis to determine water saturation values over the proposed disposal interval 8740-9440 feet in the Wolfcamp formation.

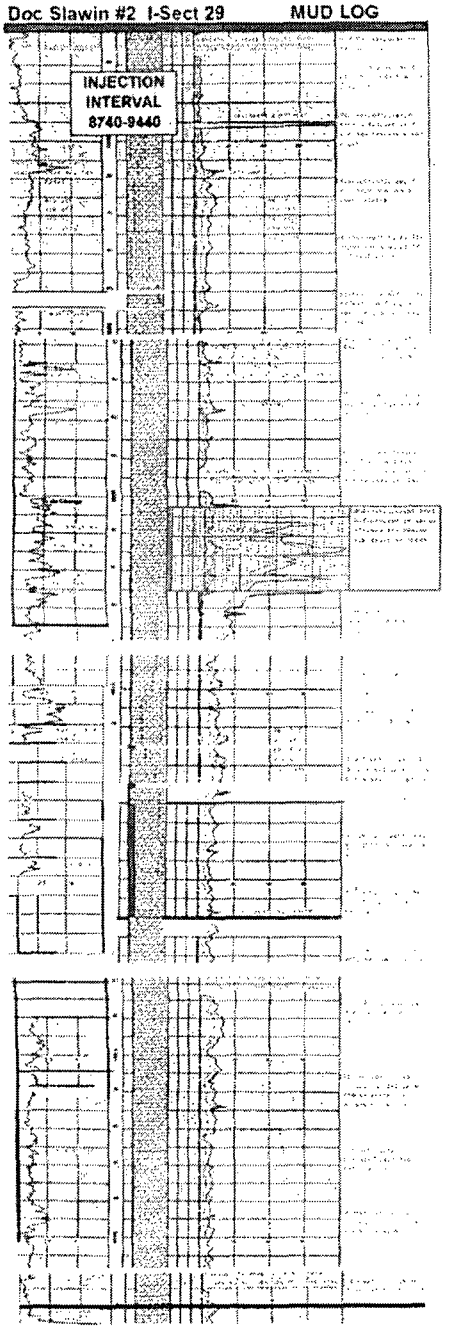

Figure 5: Doc Slawin No 2 Mud Log

This area is known to produce sulfur water throughout the Wolfcamp and Cisco formations. This is based on the mud log on Doc 2 (previously discussed), the Jamoca Cisco tested produced sulfur water and sulfur water was produced in DST #6 from 8180-8210 ft in the Turner 58 Well (API#30015-05445). Considering sulfur water corrections, a Rw value of 0.180 was used to calculate water saturations; however, this Rw value for known sulfur water is considered to be conservative; higher values will produce even higher water saturation values. Matrix porosities ranged from 4% to over 16% and water saturation values as determined from log analysis calculations from the Oxy Doc Slawin Federal #2 well for the proposed injection interval in the Wolfcamp range from approximately 70% to 90%. No DLL-msfl corrections were made for drilling fluid filtrate invasion that would further increase calculated water saturation that would indicate all intervals were water-productive. Due to drilling fluid invasion, a "'Tornado" chart correction should have been made to the deep resistivity measurements. An Rmf of 0.046 was reported on the logs at the time of logging and again, this would increase water saturation.

Dow "B" 28 Fed No 1 (P-28-T17S*R31E; API# 30-015-28676) Geology

As shown in **Figure 6**, the Dow "B" 28 Federal No 1(Dow B); API# 30-015-28676 is located in P-28-T17S-R31E.

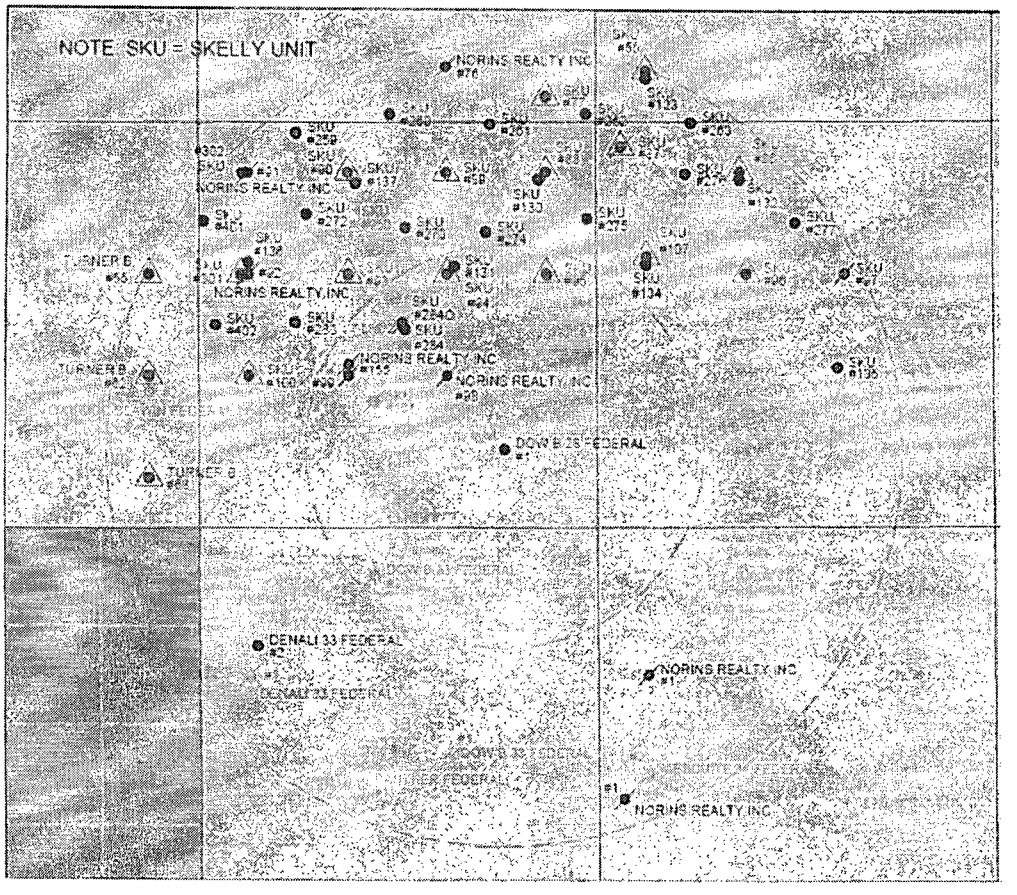

Figure 6: Location Map Dow "B" 28 Federal No 1

The proposed disposal interval on the C-108 Application is from 8725-9580 feet in the Wolfcamp formation and the proposed perforations are shown on **Figure 7**.

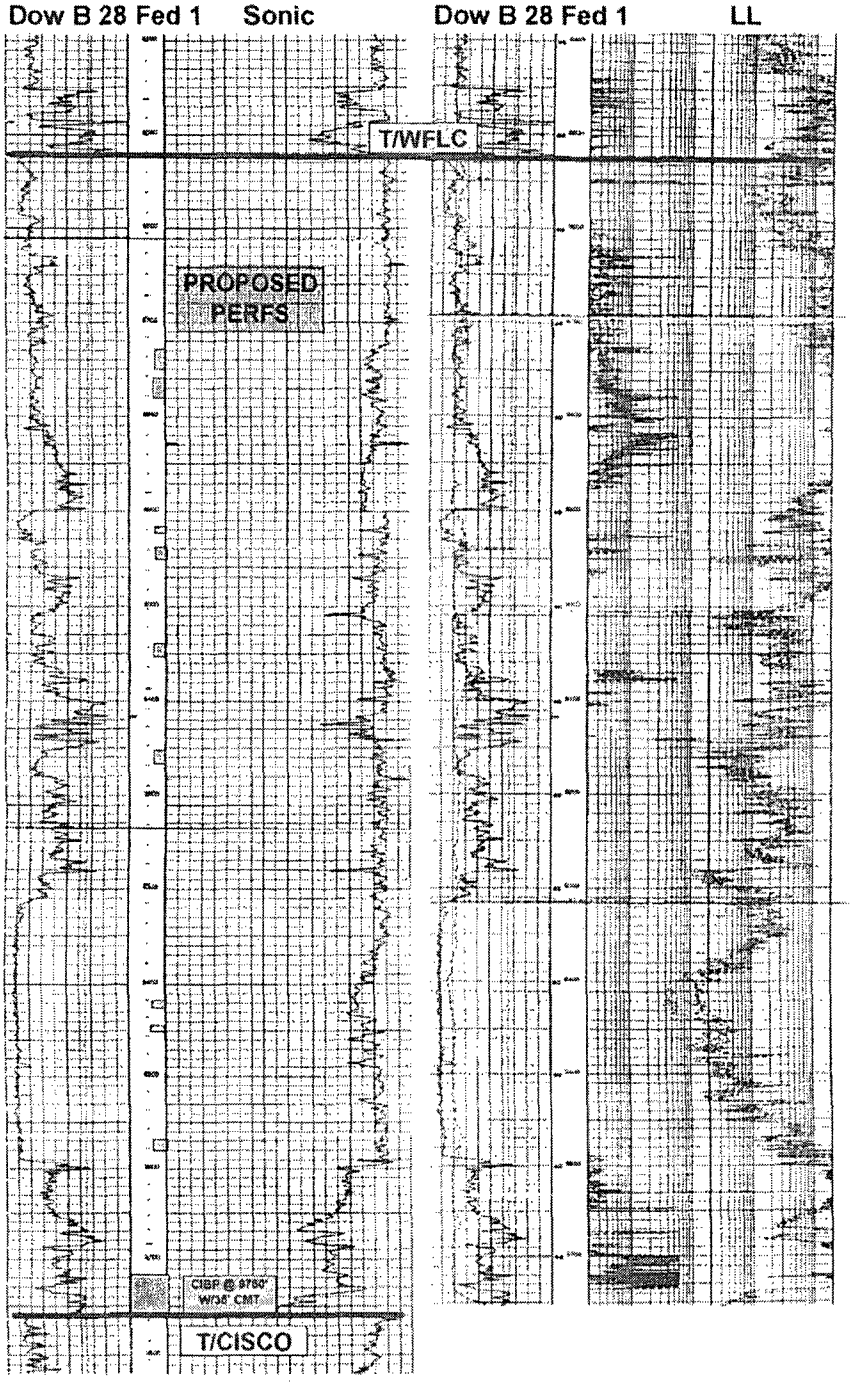

Figure 7: Dow "B" 28 No 1 Borehole Sonic and Duel Lateral Logs

George Scott (GS), Petroleum Geologist, calculated water saturation form the above logs. The log-apparent Wolfcamp porosities range from below 4% to as high as 16%. The best indicator of permeable section is acquired from DLL-msfl readings that from separation of deep, medium and near-wellbore resistivity curves reflect fair-good permeability in the interval from 8900-9580 feet. Using a Rw value of 0.04 (based on comparison of Rw values for this immediate region of Permian Basin) the water saturation values where matrix porosities are present, range from 72% to 92%, which indicates a water-productive formation. At 9022-24 feet for example, the measured Rt value is 30 (ohms-m) and Porosity is 4%, which yields a calculated water saturation value of 91%. And at 9316-18 feet; water saturation is 84.5%. The more porous section from 9400-9500 feet has an average water saturation value of 74%. In conclusion, the proposed Wolfcamp disposal interval has high water saturation values that are characteristic of water-productive formations.

As discussed in the next section and shown in **Figure 8**, there is concern that the injection perforations in the Dow B may impact the correlative interval in the abandoned Skelly Unit Well 161 (SKU 161); which doesn't have cement behind pipe over this interval. (Note: for correlation, the red correlation lines on figure 8 are drawn from gamma-ray to gamma-ray.)

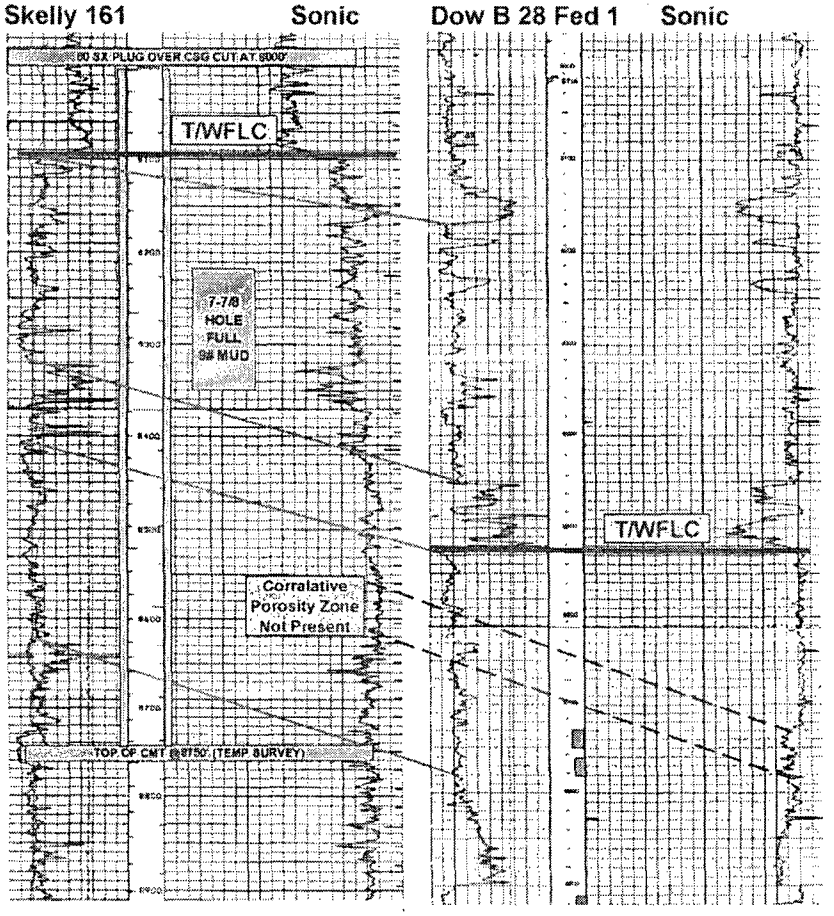

Figure 8: Borehole Sonic Log Correlation SKU 161 and Dow B

Also, as shown in **Figure 8**, GS correlated (**dashed blue lines)** the proposed porosity interval to be perforated in the Dow B with the adjacent, permanently abandoned SKU 161 Well (K-28-T17S-R31E). As shown on the figure, the porosity interval in the Dow B pinches-out and is not present in the SKU 161 Well. It was further noted that the major stratigraphic sections (**correlated by the red lines**) are very definitive, but the top of the Wolfcamp in the two wells were picked (**solid straight blue lines**) differently, further emphasizing that picking the top of Wolfcamp is very subjective in this area.

Cedar Lake Engineering; Dow "B" 28 No 1 and Skelly Unit No 161

Summary

The Skelly Unit Well 161 (K-28-T17S-R31E, API# 30-015-28140) is located approximately one-half mile from the Dow "B" 28 Federal No 1 (P-28-T17S-R31E, API# 30-015-28676) and was abandoned in 1995. There is a section (8054'-8750') in the SKU 161 wellbore which doesn't have cement behind casing. Both the wellbore and the annulus in SKU 161 are filled with 9# mud and this uncemented interval is sealed on top with a 60 sack cement plug (7820'-8054') and bonded cement behind casing at 8750' (there is a capped CIBP in the casing at 11165 ft. This technical section addresses all possibility for potential damage of SKU 161 by injection to the Dow B Well.

Verification of Log Correlations and Injection Interval

As discussed in the previous section, it doesn't appear that the upper 40 feet of proposed perforations the in the Dow B from 8730' to 8750' and from 8760' to 8780' are present in the SKU 161 Well. However, for this analysis it is hypothetically assumed that the 8730' to 8780' porosity interval in the Dow B is equivalent to the 8480' to 8530' interval in the SKU 161 which is 250 feet above the Dow B interval. This correlation is shown in **Figure 9**. The uncemented section in SKU 161 is from 8054 ft to 8750 ft. Currently the only proposed perforations for injection in the Dow "B" 28-1 are 20 feet from 8730' to 8750' and 20 feet from 8760' to 8780'. The major injection correlation (reservoir between major shale breaks) is from 8400 ft to 8625 ft in SKU 161 and 8520 ft to 8800 ft in Dow "B" 28-1.

Figure 9 shows the only potential correlation for communication between the SKU 161 and Dow B. The reality of any adverse communication and/or interference between the wells is directly dependent on the wellbore condition in SKU 161, the reservoir characteristics between the wells and the differential injection pressure in the Dow B and SKU 161. Each of these parameters is technically addressed.

Skelly 161 Sonic Dow B 28 Fed 1 Sonic

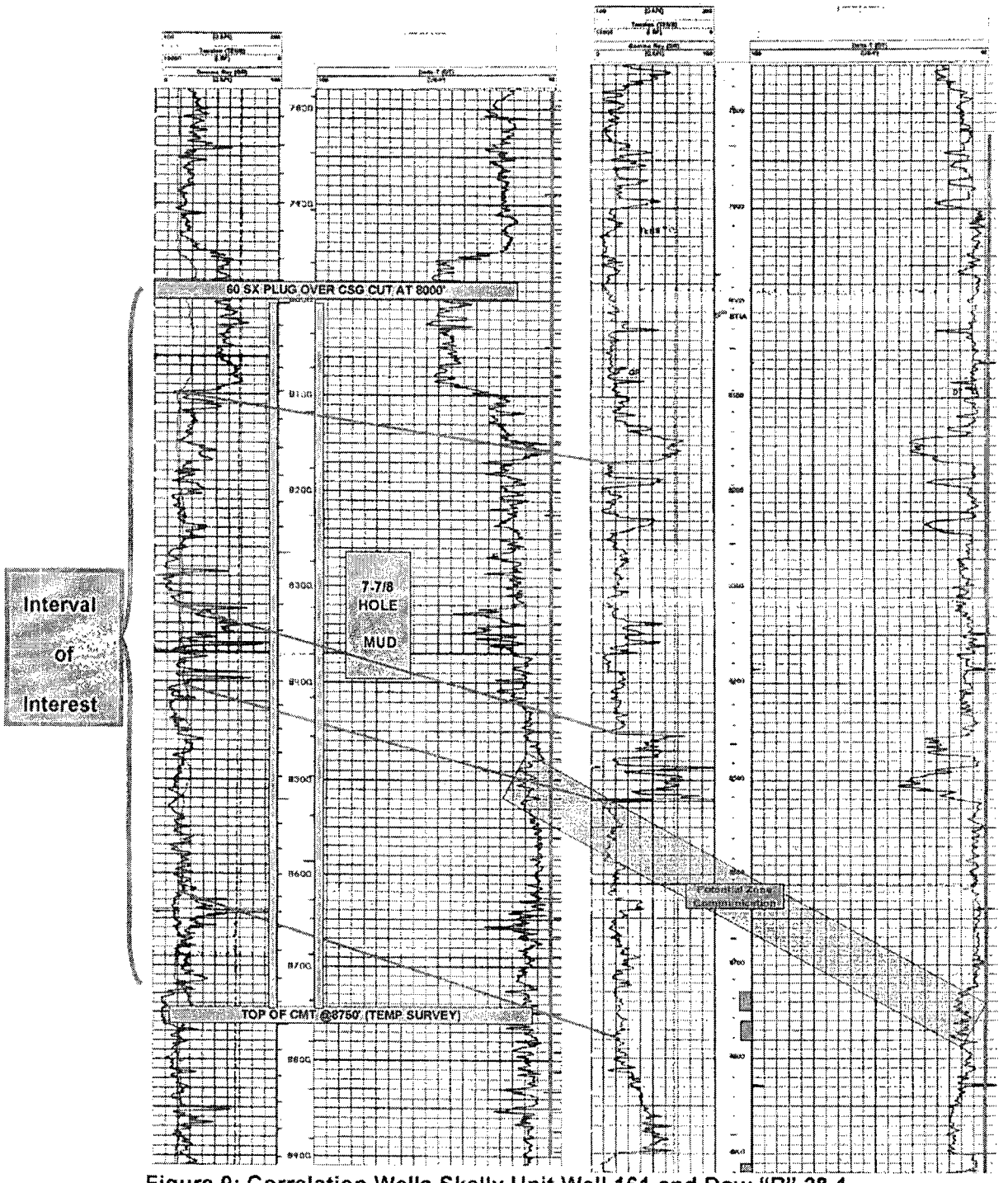

Figure 9: Correlation Wells Skelly Unit Well 161 and Dow "B" 28-1

Skelly Unit Well No 161 Wellbore Condition

The well file on SKU 161 isn't very complete. The well was apparently drilled in January 1995 as an unsuccessful Atoka/Morrow completion. Five and one-half inch (5-1/2") casing was run to TD and cemented. The Cement Bond log shows the top of good cement at 8750 feet. After failing to complete the deep zones in 1995, the 5-1/2" casing was cut at 8000 ft. A 60 sack cement plug was set at 8054 feet and the top of the plug was tagged at 7820 ft. The result is 180 ft of cement in the open hole above the 5-1/2" casing and 54 ft of cement inside the casing. This plug should be an excellent barrier to prevent any mud or fluids from flowing up the 5-1/2" casing or the casing-hole annulus. **Figure 10** is the best representation of the final and current wellbore condition.

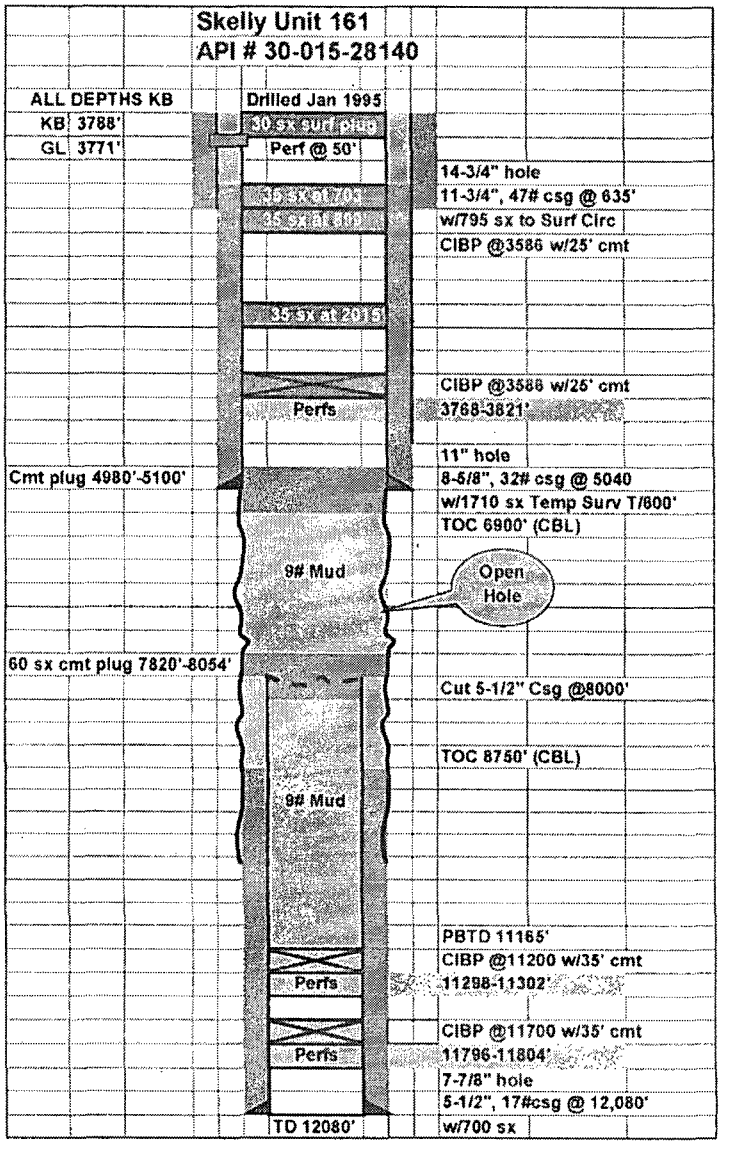

Figure 10: Current Wellbore Schematic Skelly Unit Well 161

Based on the wellbore conditions above, the 9# drilling mud is trapped by cement in the 5-1/2" casing and the 5-1/2" open-hole annulus and is completely sealed. The records available on the two wells do not reference any unusual presence of fractures and/or intervals of very high permeability (>1 Darcy) where any fluid losses occurred. From this, it is concluded that the reservoir has normal Wolfcamp porosity and permeability (as discussed in the geological section). The #9 drilling mud sealed-off the normal, expected wellbore permeability during drilling.

Drilling mud is used to drill with so that it will seal off any normal reservoir permeability and prevent any significant fluid losses. Barring extreme conditions (fractures, very high permeability, cavities/significant vuggs, etc), **drilling mud cannot flow through normal matrix permeability**. As such, no mud in the injection interval, annular space in the SKU 161 can be displaced, as it has nowhere to flow. It is simply trapped. Even if water from the Dow B were to flow to the SKU 161 wellbore, it would simply by-pass the wellbore since it cannot displace the mud.

In addition to the mud being essentially immobile, there are three reservoir conditions which further support the unlikelihood of the SKU 161 wellbore being impacted by water injection into the Dow B.

Fill-Up Time Required to Reach SKU 161

The first technical calculation is to estimate how long it will require water to reach SKU 161. **Figure 11** is a map showing the distance between the wellbores to be 1852 feet.

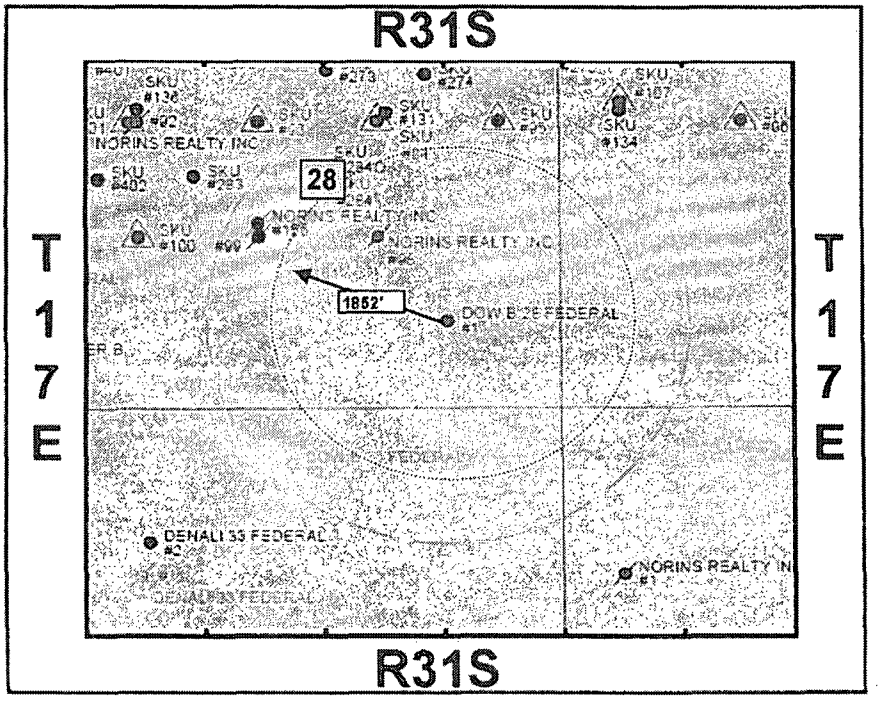

Figure 11: Location Map Wells SKU 161 and Dow "B" 28-1

For the following technical calculations, reasonable reservoir parameters have been assumed for the Wolfcamp in the interval of interest. As will be demonstrated, the reservoir parameters could be off by a factor of 1,000 and still not affect the conclusions drawn. The time required for water injected in the Dow "B" 28-1 to reach the SKU 161 is based on an injection of 50 BWPD into each one foot of pay open. In this example, the 40 feet of perorations will take (50 x 40) 2,000 BWPD. Using the 1852 ft radial flow area from the Dow "B" 28-1, with a porosity of 10% the reservoir fill-up volume to SKU 161 is 7,672,440 barrels. **Table 2** below shows all the calculations for this analysis.

Now let us consider the momentum (mass-velocity) that might be required to displace #9 mud in SKU 161, if the mud could be displaced. It is well documented that erosion by water has shaped much of the earth. One of the best examples is the Colorado River whose flow rate is 623 m^3/s ($15.5x10^6$ B/hr) varying from 5 to 40 mph. Now, think of the momentum of water moving at a rate of only 1 mile per hour. You're standing in the stream; do you feel its flow past your legs or feel it washing away the sand from under your feet? Keep in mind, water flowing at one mile per hour.

Assuming piston displacement of injection water to formation water, then the time for injection water to reach SKU 161 is (7,672,440 BW/2000 BWPD/365d) 10.5 years. Thus, the average velocity of fluid flowing over this 10.5 year period of time is 0.00000381 miles per hour or $3.7x10^{-3}$ m^3/s. This essentially implies the water has no real momentum to displace the mud in SKU 161.

Table 2: Fill-Up Volume and Time To Reach SKU 161

Fill-Up Volume and Time for Injection Water to Reach Skelly Unit #161			
	Area = r x r x π / 43560 = Ac		
	Inj H = 40 ft	R=	1852 Ft
	Por. = 0.1 frac	Area =	247.2428503 Ac
	Vol = 7758xAcxHxPorxSw=		7.672440131 MMBW
	Inj Rate Assume (50 BWPD/Ft) =		2000 BWPD
	Fillup Time = 3836.22 Days =		10.51019196 Yrs
	Avg Fluid Velocity Over 10.5 Yrs =		0.000003810 Mi/Hr
True Velocity of Water Wen It Reaches Skelly #161 Well Location			

True Velocity of Injection Water When It Reaches SKU 161

The next calculation is to determine the true velocity at the time injection water reaches SKU 161. The same reservoir parameters apply. The true velocity is based on the flow rate through the last one-foot radius (from 1851' to 1852') of flow at 2000 BWPD. **Table 3** below shows all the calculations for this analysis. The last one-foot radial volume over the 40-foot injection interval is 82,860 barrels. At 2000 BWPD, this final volume is injected over a 41.4 day period, or a true velocity of 0.00000019 miles per hour. Even if the cumulative effect of all the parameters used in this estimate were off by a factor of 1,000 the true velocity would still only be 0.00019 miles per hour. The velocity of the water at this location can not displace the mud in SKU 161.

Table 3: True Velocity of Injection Water When It Reaches SKU 161

True Velocity of Water Wen It Reaches Skelly #161 Well Location	
Inj Rate Assume (50 BWPD/Ft) =	2000 BWPD
Circumference= 2 x R x π =	11630.56 Ft
X-Sect Area at Skelly #161 =	465222.4 SqFt
X-Sect Area at Skelly #161 =	10.68003673 Ac
Last 1 Ft Radial Volume to SKU161	0.082855725 MMBW
Days to Displace 1 Ft Volume =	41.42786248 Days
Avg Velocity at Contact =	0.000000190 Mi/Hr

Permeability and Pressure Differential Required to Flow Water to SKU 161

It is assumed that any contiguous permeable intervals between the two wells would be in hydrostatic equilibrium, although there is a 250 foot-head of water between the SKU 161 and the lower Dow B. The final calculations determine what reservoir permeability and surface injection pressure (excluding the 250 foot-head) is required to physically flow water from the Dow B to SKU 161. For this calculation, normal radial Darcy flow is used to calculate the surface injection pressure required to flow water to SKU based on assumed average reservoir permeability and vice versa. **Table 4** shows the calculations used in estimating these values.

As shown below, if the average permeability is only 10 Md, it would require a surface injection pressure of 5969 psi. Therefore, if the reservoir permeability is this low, water will never reach SKU 161 as this high an injection pressure would never be approved, as the reservoir would surely fracture at this pressure. Conversely, if the average permeability is 100 Md, then a surface pressure of only 597 psi would be required. It is unlikely that the Wolfcamp in this interval is 100 Md.

More realistically, if the surface injection pressure were 1000 to 2000 psi (and ignoring the 250 feet hydrostatic pressure differential), then an average permeability of 30 Md to 60 Md would be required to reach SKU 161. The 30 md value is probably most realistic and this would imply that injection water could eventually reach SKU 161, if the two zones were correlative. However, at this permeability, the water velocity (based on Darcy flow) at SKU 161 would be 0 miles per hour as this is the boundary flow limit at 2000 psi surface injection pressure.

Table 4: Permeability and Surface Pressures Required to Flow Water to SKU 161

Permeability and Pressure Differential to Flow to Skelly #161				
Q = 7.07 x 10-3 x Md x H x dP / Visc / ln (re/rw)				
Q = 2000 BWPD		Visc = 1 Cp		
rw = 0.4	re = 1852		ln (re/rw 8.44031	
Solve For			K - Md	dP - psi
Q= 2000	H= 40		10	5969
			100	597
			60	1000
			30	2000

Conclusions

In conclusion, it is possible that injection water can reach SKU 161, but if it does reach the SKU 161 wellbore, it is very unlikely that it can effect the wellbore condition and the injection water will almost positively move around the mud filled annulus, plus the mud has a higher density (higher pressure) and significantly higher viscosity which haven't been taken into account. Furthermore, as indicated by Petroleum Geologist, George Scott, from his studies of regional fracturing in this portion of the Permian Basin based on Formation Micro-Imaged well logging data and orientated post-fracture stimulation gamma tracer logs, the natural and hydraulically-induced fractures in this region trend in a northeast-to-southwest direction, which would further indicate that movement of injected water towards the SKU 161 wellbore is not geologically feasible.

Van S. Welch II, PE
VSW2 E&P, LLC.
President
Professional Engineer State of Texas (PE No. 66291)

Seal

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, March 19, 2012 5:36 PM
To: 'billy@pwllc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD; 'Wesley_Ingram@blm.gov'
Subject: Disposal application from Judah Oil, LLC: Dow B 28 Fed #1 30-015-28676 Requested amendment to add perforations above previously permitted interval.

Billy and Blaise,
Please remind me what Case file/Hearing Order resulted from this well and the contested ownership between Concho and Judah?
SWD-1313 granted disposal into the Wolfcamp from 8725 to 9580 feet.
This application asks for disposal from 8584 to 9580 feet – adding 141 feet of Wolfcamp porosity uphole.

There is a wellbore diagram in our well file showing the 8584 to 9580 "Proposed Wolfcamp Perfs" when Yeso operated this well in 2009 – but I didn't see what were the results of that test. If you obtained the well file, it should have something in it or maybe the BLM files have something – please let me know what happened when this interval was tested.

I assume they did perforate these intervals and you don't want your packer below the top set of perfs?

The engineering report sent earlier analyzed the possible affect this well being used for disposal would have on the 700 feet of uncemented annulus (8000 to 8750 feet) within the Skelly Unit #161. Of course at that time, this upper interval was not being proposed.
From what I see, the Skelly Unit #161 is up-structure anywhere from 150 to 250 feet from your proposed disposal well and this new proposed interval was never tested in the Skelly Unit #161.

I still must wait on the bond for the other well prior to releasing any disposal permits for Judah Oil LLC. Done 3/28/12

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, April 13, 2012 5:08 PM
To: 'billy@pwllc.net'; 'Blaise Campanella'
Subject: RE: Disposal application from Judah Oil, LLC: Dow B 28 Fed #1 30-015-28676 Requested amendment to add perforations above previously permitted interval.

Blaise or Bill,
I understand the bond is in place for the well requiring a single well bond.

But, still haven't heard about the other questions below...
If you prefer, you could ask the engineer that looked at this area earlier and wrote up the nice report to comment on the effects of adding the 141 additional feet uphole?

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Jones, William V., EMNRD
Sent: Monday, March 19, 2012 5:36 PM
To: 'billy@pwllc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD; 'Wesley_Ingram@blm.gov'
Subject: Disposal application from Judah Oil, LLC: Dow B 28 Fed #1 30-015-28676 Requested amendment to add perforations above previously permitted interval.

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This application asks for disposal from 8584 to 9580 feet – adding 141 feet of Wolfcamp porosity uphole.

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I assume they did perforate these intervals and you don't want your packer below the top set of perfs?

The engineering report sent earlier analyzed the possible affect this well being used for disposal would have on the 700 feet of uncemented annulus (8000 to 8750 feet) within the Skelly Unit #161. Of course at that time, this upper interval was not being proposed.
From what I see, the Skelly Unit #161 is up-structure anywhere from 150 to 250 feet from your proposed disposal well and this new proposed interval was never tested in the Skelly Unit #161.

I still must wait on the bond for the other well prior to releasing any disposal permits for Judah Oil LLC.

Thank You,

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Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

Jones, William V., EMNRD

From: james campanella [judahoil@yahoo.com]
Sent: Sunday, April 15, 2012 8:47 AM
To: Jones, William V., EMNRD
Cc: vanwelch2@aol.com; Bill Pritchard
Subject: Fw: Fw: Disposal application from Judah Oil, LLC: Dow B 28 Fed #1 30-015-2867...
Attachments: Dow; Dow B 28 Upper Perfs by Yeso.doc

Will,
This is the information I recieved from Mr Welch addressing your concerns. Please let me know if you need more detail or have additional questions, I will jump right on it.

Thank you

Blaise

James B. Campanella
Judah Oil, LLC
PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)
----- Forwarded Message -----
From: "Vanwelch2@aol.com" <Vanwelch2@aol.com>
To: judahoil@yahoo.com
Sent: Tuesday, March 20, 2012 8:12 PM
Subject: Re: Fw: Disposal application from Judah Oil, LLC: Dow B 28 Fed #1 30-015-2867...

Proposed response to BIll.

Bill my responses are shown below in RED

James B. Campanella
Judah Oil, LLC
PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)

In a message dated 3/20/2012 6:40:35 P.M. Central Daylight Time, judahoil@yahoo.com writes:

> *James B. Campanella*
> *Judah Oil, LLC*

PO Box 568
Artesia, NM 88211
575-746-1280
575-746-1290 (fax)

----- Forwarded Message -----
From: "Jones, William V., EMNRD" <William.V.Jones@state.nm.us>
To: "billy@pwllc.net" <billy@pwllc.net>; Blaise Campanella <judahoil@yahoo.com>
Cc: "Ezeanyim, Richard, EMNRD" <richard.ezeanyim@state.nm.us>; "Shapard, Craig, EMNRD" <craig.shapard@state.nm.us>; "Wesley_Ingram@blm.gov" <Wesley_Ingram@blm.gov>
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CASE NO. 14547
Order No. R-13309-C

CASE NO. 14472 De Novo
Order No. R-13294-C

Billy and Blaise,
Please remind me what Case file/Hearing Order resulted from this well and the contested ownership between Concho and Judah? This was CASE NO 14472, Order No. R-13294-C and CASE NO 14547; Order No. R-13309-C (attached)
SWD-1313 granted disposal into the Wolfcamp from 8725 to 9580 feet.
This application asks for disposal from 8584 to 9580 feet – adding 141 feet of Wolfcamp porosity uphole.

There is a wellbore diagram in our well file showing the 8584 to 9580 "Proposed Wolfcamp Perfs" when Yeso operated this well in 2009 – but I didn't see what were the results of that test. If you obtained the well file, it should have something in it or maybe the BLM files have something – please let me know what happened when this interval was tested. As you know, we only recently learned of these upper perforations from 8584-8594 and 8610-8615 ft. There is nothing in the file showing any testing. Judah has subsequently flowed tested the well. It had approximately a 300 psi surface pressure with water to surfaced and was flow tested for one hour and recovered 70 BW and no oil or gas.

I assume they did perforate these intervals and you don't want your packer below the top set of perfs? Yes, we definitely can't have open perfs above the packer.

The engineering report sent earlier analyzed the possible affect this well being used for disposal would have on the 700 feet of uncemented annulus (8000 to 8750 feet) within the Skelly Unit #161. Of course at that time, this upper interval was not being proposed.
From what I see, the Skelly Unit #161 is up-structure anywhere from 150 to 250 feet from your proposed disposal well and this new proposed interval was never tested in the Skelly Unit #161. Attached is a revised log interpretation of the new proposed perforations. First, there is no apparent porosity in these two top set of perforations and no logical reason as to why they were perforated. And you are correct the Skelly is approximately 200 ft up dip. As shown on the attachment, the perforated zone in the Dow 28 is not present in the Skelly 161 as it has been eroded or truncated. (reference the thick shale section that separates this Wolfcamp interval from higher intervals.)

I still must wait on the bond for the other well prior to releasing any disposal permits for Judah Oil LLC. Putting in place today.

Please advise if you have any further questions or needs.

James B. Campanella
Judah Oil, LLC
PO Box 568

Jones, William V., EMNRD

From: james campanella [judahoil@yahoo.com]
Sent: Sunday, April 15, 2012 8:47 AM
To: Jones, William V., EMNRD
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Subject: Fw: Fw: Disposal application from Judah Oil, LLC: Dow B 28 Fed #1 30-015-2867...
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In a message dated 3/20/2012 6:40:35 P.M. Central Daylight Time, judahoil@yahoo.com writes:

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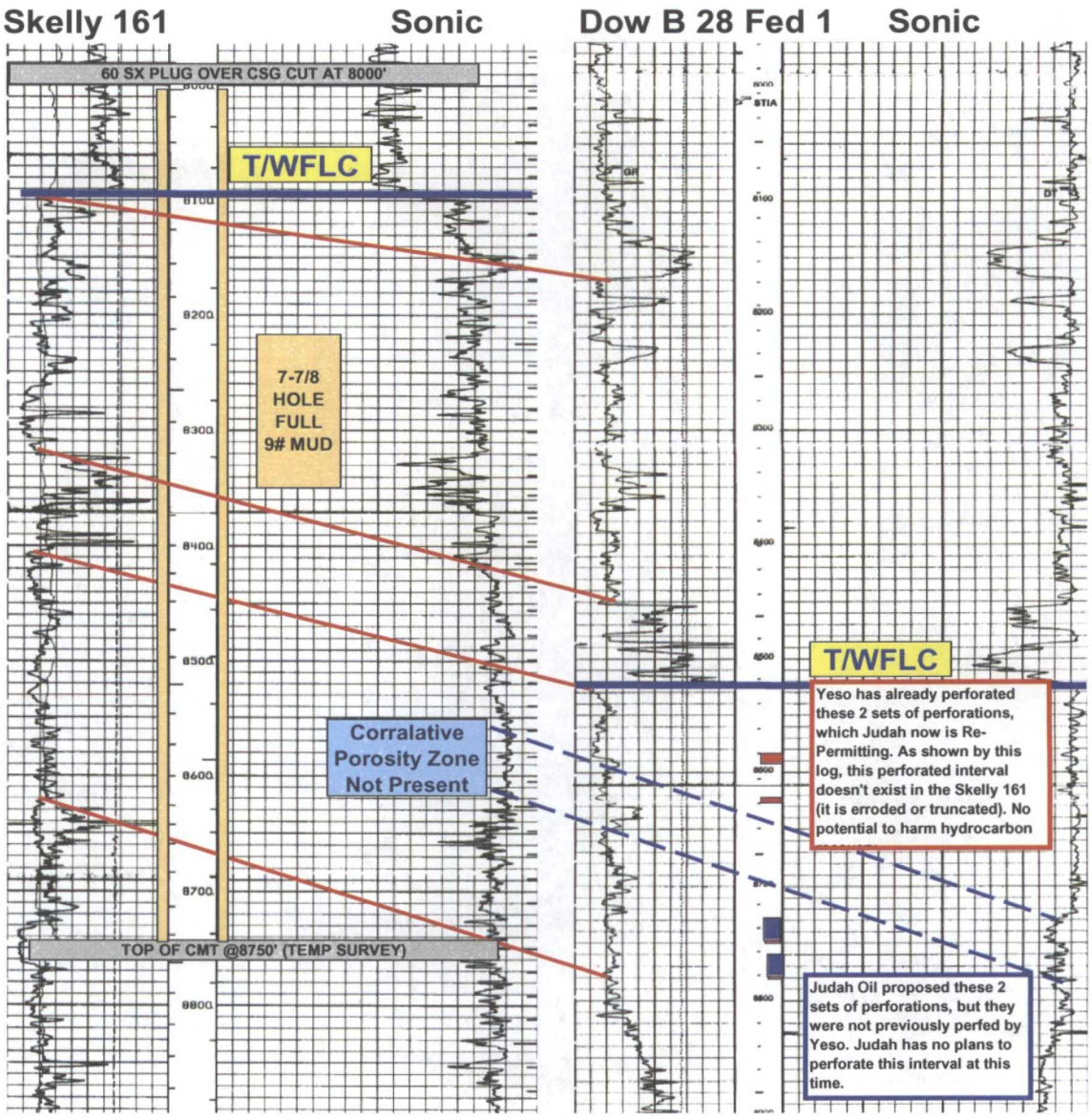
> *Judah Oil, LLC*


Skelly 161
Sonic
60 SX PLUG OVER CSG CUT AT 8000'
T/WFLC
7-7/8
HOLE
FULL
9# MUD
Corralative
Porosity Zone
Not Present
TOP OF CMT @8750' (TEMP SURVEY)
Dow B 28 Fed 1
Sonic
T/WFLC
Yeso has already perforated these 2 sets of perforations, which Judah now is Re-Permitting. As shown by this log, this perforated interval doesn't exist in the Skelly 161 (it is erroded or truncated). No potential to harm hydrocarbon
Judah Oil proposed these 2 sets of perforations, but they were not previously perfed by Yeso. Judah has no plans to perforate this interval at this time.

CONCHO/JUDAH FIGHT ?
R-7

Injection Permit Checklist (11/15/2010)

WFX____ PMX____ SWD 1313-A Permit Date 4/25/12 UIC Qtr

Wells 1 Well Name(s): DOW 'B' 28 FED #1

API Num: 30-0 15-28676 Spud Date: 11/19/85 New/Old: N (UIC primacy March 7, 1982)

Footages 1028 FSL/1227 FEL Unit P Sec 28 Tsp 17S Rge 31E County EDDY

General Location: 31 mi E. of ARTESIA

Operator: JUDAH OIL, LLC Contact BILLY PRICHARD

OGRID: 245872 RULE 5.9 Compliance (Wells) 2/37 (Finan Assur) ~~OK~~ 5.9 OK? OK

Well File Reviewed __ Current Status: SI MORROW well (ORPHAN)

Planned Work to Well:

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: ✓

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New __Existing __Surface	14 – 11 3/4	614'	—	450 'C'	CIRC
New__Existing __Interm	11 – 8 5/8	5040'	?	3000 'H'	CIRC(2)
New__Existing __ LongSt	7 7/8 – 5 1/2	12,725	9283	350 'H' + 580 'H'	CIRC (1) / 6900 CBL
New__Existing __ Liner				250 'C' + 100 'H'	
New__Existing __ OpenHole					

THICK BS IN THIS area.

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	6760 ~~3235~~ ~~3166~~ ~~3138~~	B.S ~~WC~~ 3RD SPD	✓
Injection TOP:	8584	WC	Max. PSI 1717 OpenHole___ Perfs ✓
Injection BOTTOM:	9580	WC	Tubing Size 3 1/2 Packer Depth 8534'
Formation(s) Below	9760 10,076'	CISCO Penn?	✓ ✓

8584 / 1716

Capitan Reef? __ (~~Potash?~~ __ ~~Noticed?~~ __) [~~WIPP?~~ __ ~~Noticed?~~ __] Salado Top/Bot 585' – 1815' Cliff House? ____

Fresh Water: Depths: <616' Formation ALLUVIAL Wells? NUMEROUS Analysis? __ Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: COMMERCIAL

Disposal Interval: Analysis? ✓ Production Potential/Testing:

Notice: Newspaper Date 2/29/12 Surface Owner BLM 2/28/12 Mineral Owner(s) BLM

RULE 26.7(A) Affected Persons: See LIST 2/28/12

AOR: Maps? ✓ Well List? ✓ Producing in Interval? NO Wellbore Diagrams? ✓

.....Active Wells 1 Repairs? 0 WhichWells? —

2 .....P&A Wells 1 Repairs? 0 Which Wells? Sicely UNIT #161 (015-28140)

Send LOG analysis

Issues: 8,600 – 8,584 = ? 8,584 – 9580 = ? Request Sent ____ Reply: ____