

ABOVE THIS LINE FOR DIVISION USE ONLY

R4W#3

1506

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

- SWD
 - Ray Westall Operating
 119305

RECEIVED OGD
 2014 SEP 25 P 1:34

[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

well
 - TAYLOR Deep
 '12' Federal
 30-015-2613
 1 Pool
 - SWD; DEVONIAN
 96101

[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.

Ben Stone		Agent for Ray Westall Operating, Inc. 9/23/14
Print or Type Name	Signature	Title
		ben@sosconsulting.us
		e-mail Address



September 23, 2014

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

Attn: Ms. Jami Bailey, Director

Re: NEW Application of Ray Westall Operating, Inc. to permit for salt water disposal in its Taylor Deep 12 Federal No.2 well located in Section 12, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

Dear Ms. Bailey,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to complete for disposal, the Taylor Deep 12 Federal Well No.2.

A C-108 was submitted in August 2014 and received an objection from HEYCO. Ray Westall Operating, Inc. personnel consulted with HEYCO personnel to seek a resolution and decided on a deeper completion; that being into the Devonian formation only. This application supports that resolution and approval of this application is consistent with the NMOCD's mission of preventing waste and protection of correlative rights.

Published legal notice will run in the September 25, 2014 edition of the Artesia Daily Press and all offset operators and other interested parties have been notified individually. The legal notice affidavit is will be forwarded as soon as it is received. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on BLM land and minerals and a copy of this application has been submitted to the Bureau of Land Management, Carlsbad Field Office.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

Ben Stone, Partner
SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **Ray Westall Operating, Inc.**
ADDRESS: **P.O. Box 4, Loco Hills, NM 88255**
- CONTACT PARTY: **Donnie Mathews (575) 677-2372**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: **All well data and applicable wellbore diagrams are attached hereto.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is attached** 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. **A tabulation is attached** of data on all wells of public record within the area of review which penetrate the proposed injection zone. **(No AOR wells penetrate subject interval.) The data includes** a description of each well's type, construction, date drilled, location, depth, and a schematic of any plugged well illustrating all plugging detail.
- VII. **The following data is attached** 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. **Appropriate geologic data on the injection zone is attached** 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. **No stimulation program is proposed at this time.**
- *X. **There is no applicable test data on the well however, any previous well logs (2 well logs available via OCD Online) have been filed with the Division and they need not be resubmitted.**
- *XI. **State Engineer's records indicates there are NO water wells within one mile the proposed salt water disposal well.**
- XII. **An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed.**
There are 14 offset lessees and/or operators plus BLM minerals within one mile - all have been noticed.
- 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: **Ben Stone** TITLE: **SOS Consulting, LLC agent / consultant for Ray Westall Operating, Inc.**

SIGNATURE:  DATE: **9/23/2014**

E-MAIL ADDRESS: **ben@sosconsulting.us**

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

III. WELL DATA – *The following information and data is included:*

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

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

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

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

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

XIV. PROOF OF NOTICE *pursuant to the following criteria is attached.*

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

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

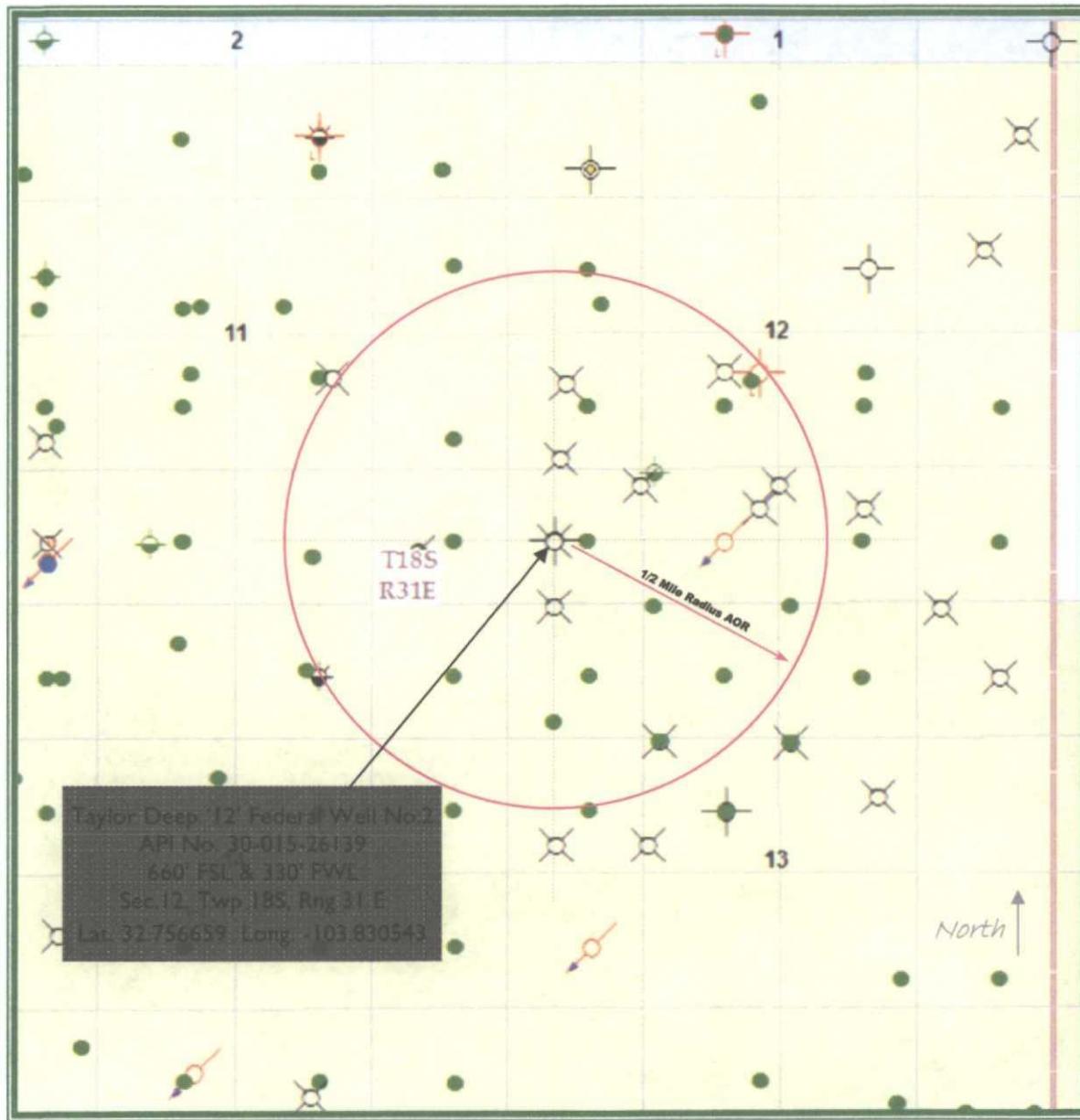
- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates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

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

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

Taylor Deep '12' Federal Well No.2 - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)



Taylor Deep '12' Federal Well No. 2
API No. 30-015-26139
660' FSL & 130' FWL
Sec 12, Twp 18S, Rng 31 E
Lat: 32.756659 Long: -103.830543

~4.2 miles West / Southwest
of Maljamar, NM



Eddy County, New Mexico



RAY WESTALL OPERATING, INC.



C-108 - Item III

Subject Well Data

WELL SCHEMATICS

Current

and

Proposed



WELL SCHEMATIC - PROPOSED

Taylor Deep '12' Federal No.2

API 30-015-26139

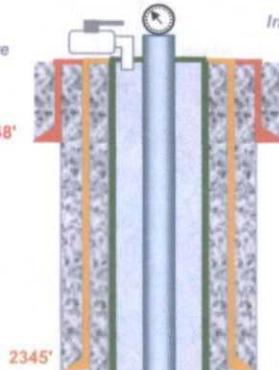
660' FSL & 330' FWL, SEC. 12-T18S-R31E
EDDY COUNTY, NEW MEXICO

P&A Date: 7/24/1989
Reentry Dt: -11/01/2014

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
2460 psi Max

348'



Surface Casing

13.375", 54.5# Csg. (17.5" Hole) @ 348'
350 sx - Circulated to Surface

Intermediate Casing

9.625", 32.0# Csg. (12.25" Hole) @ 2345'
1350 sx - Circulated to Surface

RAY WESTALL OPERATING, INC.

Convert to SWD: D/O & C/O Existing Plugs to 9324'.
Deepen well to 13,000'
Run & Set New 5.5" - Set @ 12,300'
Cement w/ ~2350 sx (2 stage) - Circulate to Surface.
Run PC Tubing and PKR - Conduct MIT.
Commence Disposal Operations.

Annulus Loaded
w/ Inert Packer Fluid

NEW Production Casing

5.5", 15.5/17.0/20.0# Csg - Surface to 12,300'
Est. ~2350 sx w/ excess - Circulate to Surface
(2 Stage w/ DV Tool @ ~6800' - TBD)

2.875" IC Tubing
PKR ~12,205'±

New Hole 8933' to 13000'

12300'

Openhole 12,300' to 13,000'

DTD @ 13000'



Drawn by: Ben Stone, Rvd'd 9/23/2014

C-108 - Item VI

Area of Review Well Data

There are no wells within the AOR which penetrate the proposed injection/disposal interval.

C-108 ITEM VII – PROPOSED OPERATION

The Taylor Deep 12 Federal Well No.2 SWD will be operated as a commercial disposal service to area operators to facilitate in disposal of produced water from typical producing formations in the area. (Samples are included in this application from San Andres, Delaware and Morrow formation waters - chlorides and TDS are relative compatible Devonian formation waters.)

The system will be closed utilizing a tank battery facility located on the well site.

Injection pressure will be 2460 psi with rates limited only by that pressure. In the future, Ray Westall Operating, Inc. may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available to Ray Westall's customers 24/7. The facility will be available for inspections at any time deemed necessary by OCD.

C-108 - Item VIII

Geological Data

~~Disposal will be into the lower Wolfcamp, Cisco and Canyon formations. The Devonian is proposed as an openhole option in combination with the upper perforated sections completion.~~

~~The lower Wolfcamp is a light gray brown fine to medium crystalline fossiliferous limestone with inter crystalline vugular porosity interbedded with gray shale. Additional porosity can be found when the well bore encounters detrital carbonates which were shed off shelf and foreslope areas and transported down the Wolfcamp paleoslope.~~

~~The Cisco and Canyon formations (Upper Penn) are similar to the Wolfcamp with a gray micritic (fine grained) fossiliferous limestone with vugular porosity. The reservoirs in this area are usually limited in size with up dip porosity loss due to shelf margin carbonate build up.~~

~~The zone offers reasonably good porosity in the proposed injection interval located from 9500' to 10700' with very good porosity interspersed throughout the overall interval.~~

The Devonian consists of weathered carbonate, dolomite and chert. It is overlain by the Morrow. Thickness varies with individual members generally averaging less than 150 ft. Porosity averages 10 percent and permeability around 55 millidarcies. While organic rich shales of Devonian age, such as the Woodford, have been targeted for some prolific hydrocarbon production, the reservoir offers significant potential for deep disposal in areas of major Pennsylvanian and later production.

Fresh water in the area is generally available from the Santa Rosa formation. State Engineer's records show water wells in the area to have an average depth of 240 feet.

There are no water wells located within one mile of the proposed SWD.

C-108 - Item VII.5

Water Analysis -

- WOLFCAMP



PHONE (325) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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

ANALYTICAL RESULTS FOR
CHEVRON TEXACO
ATTN: DENISE WANN
15 SMITH RD.
MIDLAND, TX 79705
FAX TO: (432) 687-7871

Receiving Date: 10/07/04
Reporting Date: 10/08/04
Project Number: NOT GIVEN
Project Name: NOT GIVEN
Project Location: SKELLY UNIT #952

Sampling Date: NOT GIVEN
Sample Type: WATER
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (mS/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		10/07/04	10/07/04	10/07/04	10/07/04	10/07/04	10/07/04
H9215-1	-	4049	257	87	18256	62381	214
Quality Control		NR	40	52	4.87	1322	NR
True Value QC		NR	50	50	5.00	1413	NR
% Recovery		NR	80.0	104	97.4	93.6	NR
Relative Percent Difference		NR	2.0	6.0	5.8	0.8	NR

METHODS: SM3500-Ca-D3500-Mg E: 8049 120.1 310.1

	Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	10/07/04	10/07/04	10/07/04	10/07/04	10/07/04	10/08/04
H9215-1	22993	527	0	261	7.45	47600
Quality Control	1050	50.98	NR	976	6.95	NR
True Value QC	1000	50.00	NR	1000	7.00	NR
% Recovery	105	102	NR	97.6	99.3	NR
Relative Percent Difference	2.9	1.2	NR	2.2	0.1	1.4

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

Amy Hill

Chemist

10/8/04

Date

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

C-108 - Item VII.5

Water Analysis - Source Water - SAN ANDRES

B J Services Water Analysis

Artesia District Laboratory
(505)-746-3140

Date: 6-Nov-00 Test #:
 Company: SDX Resources Well #:
 Lessor: Chalk Federal #2 County: Eddy
 State: N.M. Formation: San Andres
 Depth: 2900 Source:

pH:	6.51	Temp (F):	16.3
Specific Gravity	1.12		

CATIONS	mg/l	mmol	ppm
Sodium (calc.)	64502	2370.7	48862
Calcium	3208	160.1	2884
Magnesium	1458	120.0	1302
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	3	0.1	2

ANIONS	mg/l	mmol	ppm
Chloride	93000	2823.4	83036
Sulfate	1071	22.8	957
Carbonate	< 1	---	---
Bicarbonate	678	14.4	784
Total Dissolved Solids (calc.)	154120		137607
Total Hardness as CaCO3	14014	280.0	12513

COMMENTS:

Rw = 0.0647 @ 51.1 deg.

SCALE ANALYSIS:

CaCO3 Factor 2817907 Calcium Carbonate Scale Probability -> Probabl
 CaSO4 Factor 3848600 Calcium Sulfate Scale Probability -> Probabl

SBW Plot



C-108 - Item VII.5

Water Analysis - Source Water - DELAWARE



Water Analysis

Date: 11-Jan-05

2788 West County Road, Hobbs NM 88240
 Phone (505) 392-3336 Fax (505) 392-7307

Analyzed For

Devon	Spud 16 State #1	Lea	New Mexico
-------	------------------	-----	------------

Sample Source	Sample	Sample #	1
Formation		Depth	
Specific Gravity	1.185	SG @ 60 °F	1.185
pH	8.98	Sulfides	Absent
Temperature (°F)	65	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	73,985	in PPM	61,668
Calcium	in Mg/L	34,800	in PPM	28,429
Magnesium	in Mg/L	5,040	in PPM	4,214
Soluble Iron (FE2)	in Mg/L	50.0	in PPM	42

Anions

Chlorides	in Mg/L	183,000	in PPM	157,101
Sulfates	in Mg/L	650	in PPM	460
Bicarbonates	in Mg/L	78	in PPM	65
Total Hardness (as CaCO3)	in Mg/L	186,000	in PPM	88,629
Total Dissolved Solids (Calc)	in Mg/L	301,733	in PPM	252,269
Equivalent NaCl Concentration	in Mg/L	284,733	in PPM	212,908

Scaling Tendencies

*Calcium Carbonate Index 2,654,720

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 18,700,000

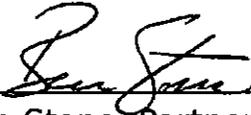
Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks rw=.040@63f

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.



Ben Stone, Partner
SOS Consulting, LLC

Project: Ray Westall Operating, Inc.
Taylor Deep 12 Federal Well No.2
Reviewed 6/28/2014

C-108 - Item XI

Water Wells Within One Mile

A search of the State Engineer's database returned 1 record in a search of 18S-31E however, the Section 14 water wells does not fall within one mile of the proposed SWD.



New Mexico Office of the State Engineer Active & Inactive Points of Diversion (with Well Drill Dates & Depths)

WR File Nbr	Sub	basin	Use	Diversion	County	POD Number	Code	Grant	Source	Q	Q	Q	Sec	Twp	Range	X	Y	Start Date	Finish Date	Depth Well	Depth Water
CP 00896		STK		3	LE	CP 00896			Shallow	1	4	4	14	18S	31E	609166	3623398				

Record Count: 1

PLSS Search:

Section(s): 1, 2, 11, 12, 13. Township: 18S Range: 31E
14

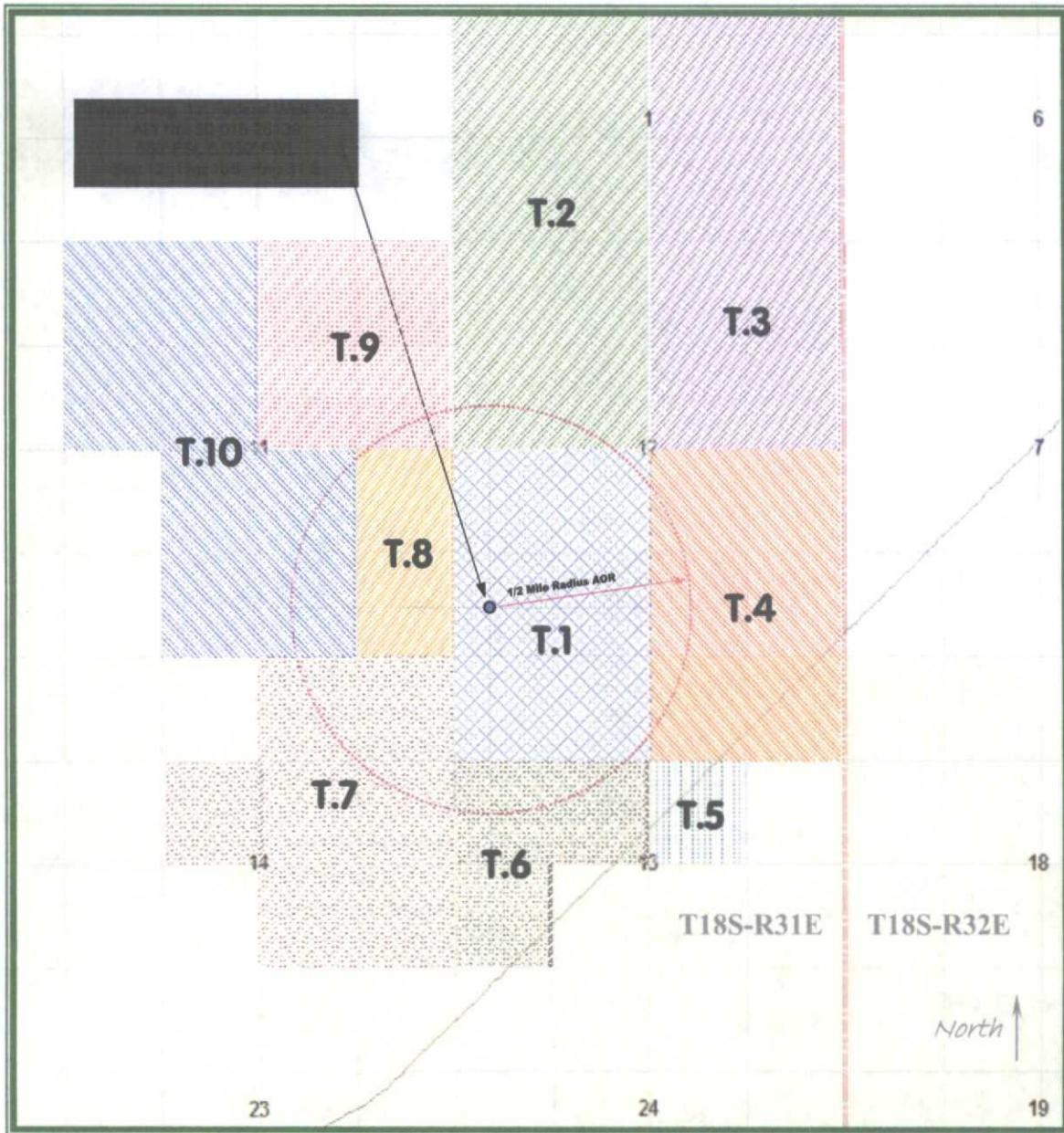
Sorted by: File Number

*UTM location was derived from PLSS - see Help

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

Taylor Deep '12' Federal No.2 - Leasehold Plat

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



RAY WESTALL OPERATING, INC.

LEGEND

T.1 – NMLC-0058709A – Burlington Resources, Chevron USA, others
 T.2 – NMNM-002538 – Yates Energy Corp., Jalapeno Corp., others
 T.3 – NMNM-106718 – Jalapeno Corporation
 T.4 – NMLC-0047800A – Burlington Resources, Chevron USA, C.T. Barton Trust
 T.5 – NMLC-0047800B

T.6 – NMLC-0058709B – Burlington Resources, Chevron USA, others
 T.7 – NMLC-0047633A – Read & Stevens, Inc.
 T.8 – NMLC-0029388B – Anadarko E&P Onshore, LLC
 T.9 – NMLC-0062052 – Delmar Lewis, William Hudson, Zorro Partners, LTD, others
 T.10 – NMLC-0029388D – Marathon Oil Company

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST
(Revised 9/09/2014)**

◀Denotes NOT Previously Sent Notices

SURFACE OWNER

U.S. DEPARTMENT OF INTERIOR (FedEx'ed copy)
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)

BLM Leases NMLC-0058709A; NMLC-0058709B

Lessees

- 1 BURLINGTON RESOURCES OG LP ◀1
3401 E. 30th Street
Farmington, NM 87402-8807
- 2 CHEVRON, USA
15 Smith Road
Midland, TX 79705
- 3 PATRICIA A. BRUNSON ◀2
3466 River Path
San Antonio, TX 78230
- 4 VIVIAN C. BRUNSON ◀3
402-B Fairway Circle
Springdale, AR 72764

Operators

- 5 NADEL & GUSMANN HEYCO, LLC
P.O. Box 1933
Roswell, NM 88202

- RAY WESTALL OPERATING, INC. (Applicant)
P.O. Box 4
Loco Hills, NM 88255

BLM Lease NMNM-002538

Lessees

- 6 YATES ENERGY CORPORATION ◀4
P.O. Box 2323
Roswell, NM 88202-2323
- 7 JALAPENO CORPORATON ◀5
P.O. Box 1608
Albuquerque, NM 87103

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

BLM Lease NMNM-106718

Lessee

JALAPENO CORPORATION
P.O. Box 1608
Albuquerque, NM 87103

BLM Leases NMLC-0047800A; BLM Lease NMLC-0047800B

Lessees

BURLINGTON RESOURCES OG LP
3401 E. 30th Street
Farmington, NM 87402-8807

CHEVRON, USA
15 Smith Road
Midland, TX 79705

- 8 C.T. BARTON TRUST ◀6
714 Main Street
Fort Worth, TX 76102

Operators

NADEL & GUSMANN HEYCO, LLC
P.O. Box 1933
Roswell, NM 88202

RAY WESTALL OPERATING, INC.
P.O. Box 4
Loco Hills, NM 88255

BLM Lease NMLC-0047633A

Lessee

- 9 READ & STEVENS, INC. ◀7
P.O. Box 1518
Roswell, NM 80202-1518

BLM Lease NMLC-0029388B

Lessee

- 10 ANADARKO E&P ONSHORE, LLC ◀8
P.O. Box 173779
Denver, CO 80217-3779

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

BLM Lease NMLC-0062052

Lessees

- 11-16 DELMAR HUDSON LEWIS
WILLIAM A. HUDSON II
EDWARD R. HUDSON, JR.
E.R. HUDSON TRUST 1
LINDY'S LIVING TRUST
ZORRO PARTNERS, LTD

6 above recipients addressed to:
616 Texas Street
Fort Worth, TX 76102-4612

BLM Lease NMLC-0029388D

Lessees

- 17 MARATHON OIL COMPANY ◀9
P.O. Box 3128
Houston, TX 77253-3128

Operators

- 18 LEGACY RESERVES OPERATING, LP
P.O. Box 10848
Midland, TX 79702

OFFSET MINERALS OWNER

- 19 U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
811 S. First St.
Artesia, NM 88210

BUREAU OF LAND MANAGEMENT (FedEx'ed copy)
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220



September 23, 2014

NOTIFICATION TO INTERESTED PARTIES
via U.S. Certified Mail

To Whom It May Concern:

Ray Westall Operating, Inc., Loco Hills, New Mexico, is reapplying to the New Mexico Oil Conservation Division to convert for salt water disposal its Taylor Deep '12' Federal Well No.2. The proposed commercial operation will be for produced water disposal from area operators. As indicated in the notice below, the well is located in Section 12, Township 18 South, Range 31 East in Eddy County, New Mexico.

An objection to the previous application was satisfied by Ray Westall Operating agreeing to limit disposal to the Devonian interval from 12,300 feet to 13,000 feet.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on or about September 25, 2014

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its Taylor Deep '12' Federal Well No.2. The well, API No.30-015-26139 is located 660 FSL & 330 FWL in Section 12, Township 18 South, Range 31 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Devonian formation through openhole between a maximum applied for top of 12,300 feet to maximum depth of 13,000 feet. Maximum injection pressure will be 2460 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us.

You have been identified as a party who may be interested as an offset lessee or operator.

The only difference between this application and the previous one is that only the Devonian interval will be utilized. This interval was shown on the previous application as an optional completion but that application also included a higher interval which will not be completed.

As this is a re-application with all details being identical excepting the deeper interval, we respectfully request that we not send the entire application unless requested.

You are entitled to a full copy of the application. If you would like to receive a full copy in PDF format via email, please call or email SOS Consulting, LLC at 903-488-9850.

You may also request either a mini-CD with the PDF version or, you may request a hardcopy.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is written in a cursive, flowing style.

Ben Stone, SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application File

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

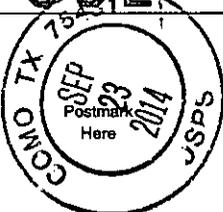
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7014 0510 0001 2766
7014 0510 0001 2766
7014 0510 0001 2766

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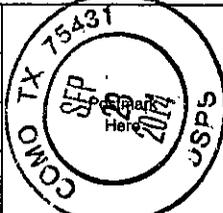
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Total Postage & Fees	\$	6.49



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BURLINGTON RESOURCES OG LP
3401 E. 30th Street
Farmington, NM 87402-8807

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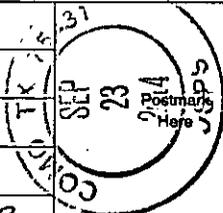
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San Antonio, TX 78230

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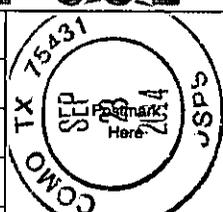
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NADEL & GUSMANN HEYCO, LLC
P.O. Box 1933
Roswell, NM 88202

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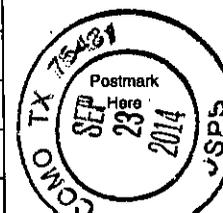
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CHEVRON, USA
15 Smith Road
Midland, TX 79705

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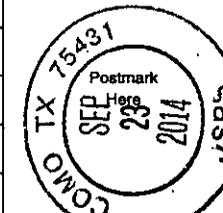
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Restricted Delivery Fee (Endorsement Required)		
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VIVIAN C. BRUNSON
402-B Fairway Circle
Springdale, AR 72764

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YATES ENERGY CORPORATION
P.O. Box 2323
Roswell, NM 88202-2323

2591
7014 0510 0001 2766 1652
7014 0510 0001 2766
7014 0510 0001 2766
7014 0510 0001 2766

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts - cont.)

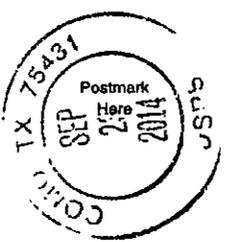
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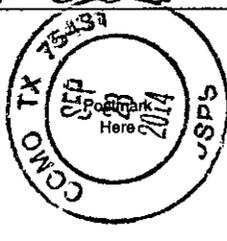
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49



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JALAPENO CORPORATON
P.O. Box 1608
Albuquerque, NM 87103

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READ & STEVENS, INC.
P.O. Box 1518
Roswell, NM 80202-1518

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LEWIS H. DELMAR
616 Texas Street
Fort Worth, TX 76102-4612

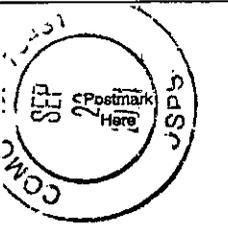
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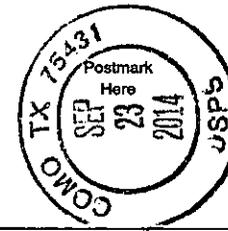
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Street, Apt. or PO Box
City, State,
C.T. BARTON TRUST
714 Main Street
Fort Worth, TX 76102

OFFICIAL USE

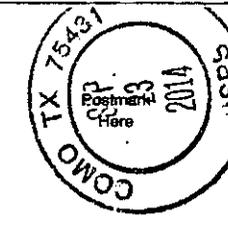
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ANADARKO E&P ONSHORE, LLC
P.O. Box 173779
Denver, CO 80217-3779

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Street, Apt. or PO Box
City, State,
WILLIAM A. HUDSON II
616 Texas Street
Fort Worth, TX 76102-4612

C-108 - Item XIV

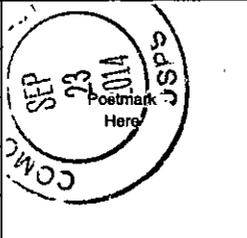
Proof of Notice (Certified Mail Receipts - cont.)

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7014 0510 0001
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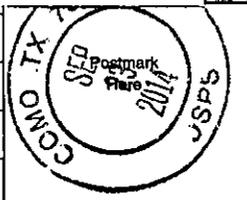
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City, State
EDWARD R. HUDSON, JR.
616 Texas Street
Fort Worth, TX 76102-4612

Certified Fee		
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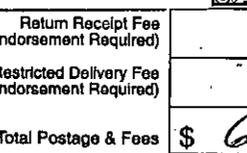
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LINDY'S LIVING TRUST
616 Texas Street
Fort Worth, TX 76102-4612

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MARATHON OIL COMPANY
P.O. Box 3128
Houston, TX 77253-3128

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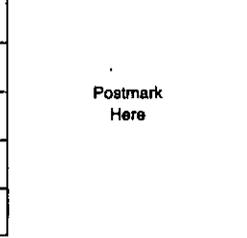


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BUREAU OF LAND MANAGEMENT
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

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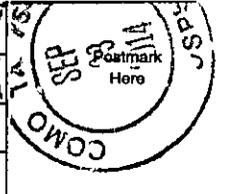
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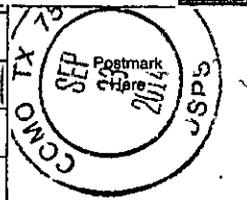
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E.R. HUDSON TRUST 1
616 Texas Street
Fort Worth, TX 76102-4612

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Restricted Delivery Fee (Endorsement Required)		
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ZORRO PARTNERS, LTD
616 Texas Street
Fort Worth, TX 76102-4612

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LEGACY RESERVES OPERATING, LP
P.O. Box 10848
Midland, TX 79702

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C-108 - Item XIV

Proof of Notice – Legal Notice
Newspaper of General Circulation

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its Taylor Deep '12' Federal Well No.2. The well, API No.30-015-26139 is located 660 FSL & 330 FWL in Section 12, Township 18 South, Range 31 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Devonian formation through openhole between a maximum applied for top of 12,300 feet to maximum depth of 13,000 feet. Maximum injection pressure will be 2460 psi with a maximum rate limited only by such pressure.

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Published in the Artesia Daily Press, Artesia, N.M., September 25, 2014 Legal No. 23184.

The above is the "Proof Copy" sent from the Artesia Daily Press. The affidavit of publication will be forwarded as soon as it is received.



C-108 Review Checklist: Received 9/25 Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 14]

PERMIT TYPE: WFX / PMX / SWD Number: 1506 Permit Date: 10/30/14 Legacy Permits/Orders: _____

Well No. 2 Well Name(s): TAYLOR Deep 12 Federal

API: 30-0 15-26139 Spud Date: 6/26/89 New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 660 FSL / 330 FWL Lot _____ or Unit M Sec 12 Tsp 18S Rge 31E County EDDY

General Location: 6 mi SW of Maljamar Pool: _____ Pool No.: _____

BLM 100K Map: _____ Operator: Roy Westall Operator, INC OGRID: 119305 Contact: DONNE MATHEWS

COMPLIANCE RULE 5.9: Total Wells: 90 Inactive: 0 Fincl Assur: OK Compl. Order? _____ IS 5.9 OK? OK Date: 10/30/14

WELL FILE REVIEWED Current Status: (Bone Spine) Dry Hole - P&A ED (8933 TD)

WELL DIAGRAMS: NEW: Proposed _____ or RE-ENTER: Before Conv. _____ After Conv. _____ Logs in Imaging: _____

Planned Rehab Work to Well: Re-enter & Deepen & Run CSS then Drill out (OH)

Well Construction Details	Sizes (In) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned _____ or Existing <input checked="" type="checkbox"/> Surface	17 1/2 - 13 3/8	348	350	CIRC
Planned _____ or Existing <input checked="" type="checkbox"/> Interm/Prod	12 1/4 - 9 3/8	2345	1350	CIRC
Planned <input checked="" type="checkbox"/> or Existing _____ Interm/Prod	? - 5 1/2	12300	2350 +	CIRC/CIRC
Planned _____ or Existing _____ Prod/Liner				
Planned _____ or Existing _____ Liner				
Planned <input checked="" type="checkbox"/> or Existing <input checked="" type="checkbox"/> (OH) PERF		12300 - 13000	Inj Length 700'	

Completion/Operation Details:

Drilled TD 8933' PBTD _____

NEW TD 13000' NEW PBTD _____

NEW Open Hole or NEW Perfs

Tubing Size 2 1/8 in. Inter Coated?

Proposed Packer Depth 12205 ft

Min. Packer Depth 12206 (100-ft limit)

Proposed Max. Surface Press. _____ psi

Admin. Inj. Press. 2460 (0.2 psi per ft)

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.			
Confining Unit: Litho. Struc. Por.	11850	Morrav	<input checked="" type="checkbox"/>
Proposed Inj Interval TOP:	12300	PEV	<input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM:	13000		
Confining Unit: Litho. Struc. Por.			
Adjacent Unit: Litho. Struc. Por.			

AOR: Hydrologic and Geologic Information

POTASH: R-111-P Noticed? _____ BLM Sec Ord WIPP Noticed? _____ SALT/SALADO T: 1000 B 2 1/2' CLIFF HOUSE

FRESH WATER: Aquifer Santa Rosa Max Depth 240' HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? FW Analysis

Disposal Fluid: Formation Source(s) _____ Analysis? _____ On Lease Operator Only or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): _____ Protectable Waters? NO Source: _____ System: Closed or Open

HC Potential: Producing Interval? _____ Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map

AOR Wells: 1/2-M. Radius Map? _____ Well List? _____ Total No. Wells Penetrating Interval: Horizontals? _____

Penetrating Wells: No. Active Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 9/25/14 Mineral Owner BLM/Burby Surface Owner BLM N. Date 9/23/14

RULE 26.7(A): Identified Tracts? Affected Persons: See APP. N. Date 9/23/14

Permit Conditions: Issues: none above PEV?

Add Permit Cond: Run LOGS/WUDLOS

Run LOGS/WUDLOS