



WASTE CONNECTIONS, INC.
Connect with the Future

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2015 AUG -3 P 3:19

July 29, 2015

Mr. Phillip Goetze
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Okerlund SWD #1, 360 Permian Basin LLC, Unit M (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico

Dear Mr. Goetze,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be 1470' FSL and 1555' FEL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 14,000 and 16,000 feet. Notification and a copy of the permit application were sent to the NMOCD District 1 office in Hobbs, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

cc: Maxey Brown – Supervisor

Enc/



3 Waterway Square Place, Suite 110, The Woodlands, TX 77380

Tel (832) 442-2200 • Fax (832) 442-2290 • www.wasteconnections.com

OKERLUND SWD WELL #1

PERMIT APPLICATION

Unit J (NW/4, SE/4), Section 7

Township 21 South, Range 32 East

Lea County, New Mexico

LAI Project No. 15-0126-01

July 29, 2015

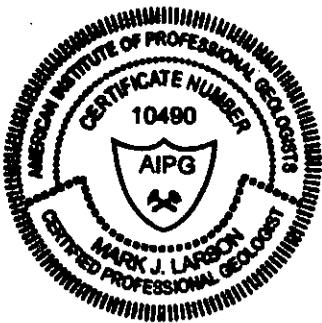
Prepared for:

R360 Permian Basin, LLC
3 Waterway Square Place, Suite 110
The Woodlands, Texas 79705

Prepared by:

Larson & Associates, Inc.
507 North Marienfeld, Suite 200
Midland, Texas 79701

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A handwritten signature in black ink, appearing to be "Mark J. Larson", written over a horizontal line.

Mark J. Larson

Certified Professional Geologist #10490

A handwritten signature in black ink, appearing to be "Michael T. Gant", written over a horizontal line.

Michael T. Gant

Staff Geologist

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: R360 Permian Basin, LLC (a wholly owned subsidiary of Waste Connections, Inc.)
ADDRESS: 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380
CONTACT PARTY: Chris Ruane, Director of Engineering PHONE: (832) 442-2204
- 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 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: Luke Bross TITLE: Project Manager
SIGNATURE: [Signature] DATE: 7/29/2015
E-MAIL ADDRESS: lukcb@R360ES.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

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

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

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

ATTACHMENT III

Injection Well Data Sheet

INJECTION WELL DATA SHEET

Tubing Size: 4.5" Lining Material: Composite Fiberglass (CLS100)

Type of Packer: Arrowset IX

Packer Setting Depth: TBD

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

Additional Data

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

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Devonian

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

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. N/A

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Yates (2,783'), Delaware (4,900'), Bone Springs (7,963'), Morrow (12,500')

6. **Proposed Casing Program:**

Name	Hole (inches)	Size (inches)	Setting Depth (Feet)	Grade	Weight (lbs/ft)	Thread	Condition	Burst SF.	Coll. SF	Ten. SF
Surface	26	20	1060	J55 ✓	106.4	LTC	New	1.2	1.125	1.6
1 st Intermediate	17 ½	13 3/8	2,900 ✓	J55 ✓	68	LTC	New	1.2	1.125	1.6
2 nd Intermediate	12 ¼	9 5/8	5,100 ✓	L80 ✓	47	LTC	New	1.2	1.125	1.6
Production	8 ½	7	0-120 ✓	HCL80 ✓	35	LTC	New	1.2	1.125	1.6
Production	8 ½	7	120-11,000 ✓	P-110 ✓	29	LTC	New	1.2	1.125	1.6
Production	8 ½	7	11,000-14,300 ✓	HCL80 ✓	35	LTC	New	1.2	1.125	1.6
Tubing	5 7/8	4 ½	0-5,000 ✓	P-110 ✓	11.6	LTC	New	1.2	1.125	1.6
Tubing	5 7/8	4 ½	5,000-14,300 ✓	L-80 ✓	11.6	LTC	New	1.2	1.125	1.6
Open Hole	5.875		14300-16000 ✓	NA	NA	NA	NA			

7. **Drilling Procedure:** Spud well and drill down each interval to total depth of that interval, staying in compliance with OCD/BLM rules and regulations and following this APD drilling plan. Casing off the Potash and Capitan with separate strings per the BLM. Each casing string will be cemented and cement will be circulated to surface. There are DV Tools in the casing strings to insure getting cement all the way to surface. Mud weights are spelled out below in paragraph 10 – Types and Characteristics of mud system. After reaching total casing depth of 14,300', OH Logs (Paragraph 12) will be run 14300-5100 GR-CNL to surf, we will cement the 7" as spelled out in this APD. We will pick up a 5 7/8" bit to drill the injection interval for the open-hole completion; OH logs (see Paragraph 12) will be run TD-14300. The depths from 14,300' to 16,000' will not have a casing string, thus an "open-hole" completion. The Devonian target zone for injecting is a depleted zone considered to be under pressured and will be drilled with cut brine 8.4-8.9 PPG. The injection tubing will be set to depth of 14,300' inside the 7". All intervals will be logged prior to running casing per BLM/OCD re

8. **Pressure Controls:**

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be test per BLM Onshore Oil and Gas Order 2.

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be test per BLM Onshore Oil and Gas Order 2.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories, include a Kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

9. **Cement Program:**

Surface: Float/Landing Collar set @ 1015'. We will circulate cement to surface

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Lead	800	346	100	13.5	1.75	1400	Premium Plus C Cement + 0.005 lbs/sack Static Free + 2% bwoc Calcium Chloride +0.05% bwoc R-3 + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 4% bwoc Bentonite II
Tail	575	714	100	14.8	1.34	770	Premium Plus C Cement + 0.005 lbs/sack Static Free + 2% bwoc Calcium Chloride +0.005 gps FP-6L

1375

1st Intermediate: Stage 1 Float/Landing Collar set @ 1800, Stage 2 Collar set @ 1,800'. We will circulate cement to surface.

13 3/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust DVT depth per circulation requirements. The current estimated setting is 1800' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Stage 1 Lead	620	1460'	100	12.7	2.10	1302	Premium Plus C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 2% bwoc Sodium Metasilicate
Stage 1 Tail	275	340'	100	14.8	1.35	372	Premium Plus C Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc CD-32 + 0.6% bwoc FL-62 + 0.005 gps FP-6L + 0.4% bwoc Sodium Metasilicate
Stage 2 Lead	770	714' to surface	100	11.9	2.46	1895	(50:50) Poz (Fly Ash): Premium Plus C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 5 lbs/sack LCM-1 + 3% bwoc FL-52 + 0.005 gps FP-6L + 3% bwoc Sodium Metasilicate + 10% bwoc Bentonite II
Stage 2 Tail	275	386'	100	14.8	1.35	372	Premium Plus C Cement + 0.005 lbs/sack Static Free + 1.5% bwoc Calcium Chloride + 0.005 gps FP-6L

1940

2nd Intermediate: Stage 1 Float/Landing Collar set @ 4855', Stage 2 Collar set @ 3,300'

9 5/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 3300' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Stage 1 Lead	245	838	50	11.9	2.10	514	(50:50) Poz (Fly Ash): Premium Plus H Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc FL-25 + 0.005 gps FP-6L + 2% bwoc Bentonite II
Stage 1 Tail	200	762'	0	14.2	1.27	254	(50:50) Poz (Fly Ash): Premium Plus H Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc FL-52 + 0.005 gps FP-6L + 2% bwoc Bentonite II
Stage 2 Lead	450	2485'	50	12.7	2.07	932	Premium Plus C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 0.4% bwoc Sodium Metasilicate
Stage 2 Tail	250	815'	50	14.8	1.35	337	Premium Plus H Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc CD-32 + 0.6% bwoc FL-62 + 0.005 gps FP-6L + 0.4% bwoc Sodium Metasilicate

1745

4900

Production: Stage 1 Float/Landing Collar set @ 14,260', Stage 2 Collar set @ 10,500', Stage 3 Collar set @ 5,175'. We will circulate cement to surface.

7" Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 5175' and 10,500' cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Stage 1 Lead	770	3800'	35	13.5	1.49	782	(15:61:11) Poz (Fly Ash):Premium Plus H Cement:CSE-2 + 0.005 lbs/sack Static Free + 3 lbs/sack LCM-1 + 2% bwoc FL-62 + 0.005 gps FP-6L + 0.25% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A
Stage 2 Lead	495	1082'	25	12.7	1.95	965	(35:65) Poz (Fly Ash):Premium Plus H Cement + 0.005 lbs/sack Static Free + 0.7% bwoc FL-52 + 0.15% bwoc ASA-301 + 0.005 gps FP-6L
Stage 2 Tail	100	4243'	25	15.6	1.18	118	Premium Plus H + 0.005lbs/sack staticfree+2% bwow Sodium Chloride + 0.5% bwoc CD-32+0.6% bwoc FL-62 +0.005 gps FP-6L+0.4% bwoc sodium metasilicate
Stage 3 Lead	260	2982'	25	11.9	2.45	637	50:50 Poz Fly ash: premium plus c cement + 0.005 lbs/sack static free + 5% bwow sodium chloride + 5% bwoc LCM-1+3% bwoc FL-52+0.005 gps FP-6L+3% bwoc sodium metasilicate + 10% bwoc bentonite II
Stage 3 Tail	100	818'	35	14.8	1.34	134	Premium plus C cement + 0.005 lbs/sack static Free +1.5% bwoc calcium chloride + 0.005 gps FP-6L

1725 12425

The contingency ECP/DVT tool setting depth may change and cement will be adjusted accordingly.

10. Type and Characteristics of Mud System:

Depth MD/TVD (ft)	Mud Type	Mud Density (ppg)	Viscosity (sec/1000cc)	Plastic Viscosity (cP)	Yield Point (lb/100ft ²)	API Fluid Loss (cc)	pH	LGS %
120 - 450	New Gel/Soda Spud Mud	8.8 - 9.2	60 - 70	12 - 28	12 - 34	20	+/-9.0	<6
450 - 2,900	Brine Water	10.0 - 10.1	29 - 30	0 - 1	0 - 1	NC	9.5 - 10.0	<6
2,900 - 5,100	Existing Brine to New Zan D/White Starch/ Barite	10.0 - 10.1	29 - 30	0 - 1	0 - 1	NC	9.5 - 10.0	<6
5,100 - 14,300		10.1 - 11.5	36 - 44	6 - 14	12 - 18	10 - 12	9.5 - 10.0	<6
14,300 - 16,000	Cut brine	8.4 - 8.9	28 - 30	0 - 1	0 - 1	NC	9. - 9.5	<6

Our goal for all DVT and ECP is to run with full intentions of running the 2 stage job. This will help insure good tail cement and help insure cement to surface.

11. **Air Drilling Description:** Not applicable.
12. **Testing, Coring, and Logging Procedures:**
- A. Mud logging program: 2 man unit from 2,900' (setting depth of salt string) to TD.
 - B. Electric logging program: open hole logs CNL / LDT / CAL / GR, DLL / SGR (CNL/GR from base of Intermediate casing to surface) from 14300 to Intermediate casing and TD-14300
Cased Hole Logs
CBL w/ CCL from base of Intermediate casing to surface (if cement is not circulated to surface)
CBL w/ CCL from production casing DV tool at 8,000' to 3,000' (estimated top of cement at 4,000')
 - C. No DST's or cores are planned
 - D. Sonic log: not required but available if needed
13. **Expected Bottom Hole Pressure and Temperature:** 6,440 psi , 170° F.
14. **Abnormal Conditions:** Expecting a loss circulation zone in Capitan Reef.
15. **H₂S Plan:** Breathing equipment will be available on location. If H₂S is encountered the operator will comply with the Onshore Oil and Gas Order No. 6. The H₂S measured amounts and formation will be reported to the BLM. Please see the attached H₂S Plan and the H₂S awareness map.
16. **Directional or Horizontal Survey:** The well is neither directional nor horizontal.
17. **Unit Well Current Unit POD:** The well is not in a unit or current unit POD.
18. **Work Schedule:** To be determined.
19. **Completion plans:** MIRU well service unit. PU 2 7/8" PH-6 workstring. TIH, release retrievable bridge plug and pull out of hole. Pick up treating packer. TIH to 14,250' and set. Test back side to 1000 psi. Acidize down tubing with five stages – 8000 gallons 15% HCL each stage followed by 1500 lbs of rock salt each stage. Release packer and pull out of hole. Trip in hole with tubing with notched collar. Circulate clean to TD. Pull out of the hole and pick up 7" Arrow Set 1X packer. Trip in the hole to 14,250'. Set blanking plug and on/off tool. Release packer and pull out of hole, laying down 2 7/8" work string. Pick up 4 1/2" lined injection tubing. Trip in hole and get on on/off tool. Release packer. Space out. Reset packer. Release on/off tool again. Circulate packer fluid. Get back on on/off tool. Nipple down BOP and nipple up well head. Schedule and perform MIT on tubing casing annulus per OCD and BLM guidelines. Turn well over to R360 for plumbing up surface facilities.

ATTACHMENT IV

The permit application is NOT an expansion of an existing project

ATTACHMENT V
Well and Lease Maps

TABLE OF ACTIVE WELLS/ OPERATORS WITHIN TWO MILES OF THE PROPOSED OKERLUND SWD #1

R360 Permian Basin, LLC

API #	Operator	Lease	Well #	County	Legal	Total depth (ft)	Well Status
30-025-27151	BOPCO, L.P.	CA LOOMIS FEDERAL	1	LEA	S:5,T:21S,R:32E, UNIT D	14131	Active GAS
30-025-25534	XTO ENERGY, INC.	NEW MEXICO E FEDERAL COM	1	LEA	S:5,T:21S,R:32E, UNIT P	14348	Active GAS
30-025-25976	SAMSON RESOURCES CO	NEW MEXICO F FEDERAL COM	1	LEA	S:5,T:21S,R:32E, UNIT K	14080	PLUGGED
30-025-26610	COG OPERATING LLC	NEW MEXICO G FEDERAL COM	1	LEA	S:6,T:21S,R:32E, UNIT I	14250	Active GAS
30-025-27492	CHEVRON MIDCONTINENT, L.P.	SALT LAKE SOUTH DEEP	1	LEA	S:6,T:21S,R:32E, UNIT A	14510	Active GAS
30-025-27603	CONOCOPHILLIPS COMPANY	NORTH BILBREY 7 FEDERAL	1	LEA	S:7, T:21S, R:32E, UNIT J	14320	Active GAS
30-025-31412	YATES PETROLEUM CORPORATION	UNION AJS FEDERAL	1	LEA	S:8,T:21S,R:32E, UNIT J	8610	Active SWD
30-025-39529	YATES PETROLEUM CORPORATION	CAPELLA BOP FEDERAL	2H	LEA	S:8,T:21S,R:32E, UNIT P	12915	Active OIL
30-025-39528	YATES PETROLEUM CORPORATION	CAPELLA BOP FEDERAL	1	LEA	S:9,T:21S,R:32E, UNIT M	8765	Active OIL
30-025-31362	YATES PETROLEUM CORPORATION	JOY AJO STATE	1	LEA	S:16,T:21S,R:32E, UNIT D	55	PLUGGED
30-025-38906	CHEVRON U S A INC	LOST TANK 16 STATE	1	LEA	S:16,T:21S,R:32E, UNIT M	8700	Active OIL
30-025-38907	CHEVRON U S A INC	LOST TANK 16 STATE	4	LEA	S:16,T:21S,R:32E, UNIT D	8700	Active OIL
30-025-37449	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	4	LEA	S:17,T:21S,R:32E, UNIT P	8650	Active OIL
30-025-37448	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	5	LEA	S:17,T:21S,R:32E, UNIT J	8650	Active OIL
30-025-36954	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	1	LEA	S:17,T:21S,R:32E, UNIT O	8600	Active OIL
30-025-38091	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	6H	LEA	S:17,T:21S,R:32E, UNIT A	11603	Active OIL
30-025-37450	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	3	LEA	S:17,T:21S,R:32E, UNIT N	8650	Active OIL
30-025-41659	YATES PETROLEUM CORPORATION	CAPELLA BOP FEDERAL	6H	LEA	S:17,T:21S,R:32E, UNIT K		PERMIT
30-025-37439	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	2	LEA	S:17,T:21S,R:32E, UNIT K	10600	Active OIL
30-025-41496	MANZANO LLC	LITTLE VALLEY FEDERAL	1H	LEA	S:17,T:21S,R:32E, UNIT M	8301	Active OIL
30-025-38101	YATES PETROLEUM CORPORATION	CAPER BFE FEDERAL	16H	LEA	S:17,T:21S,R:32E, UNIT M	12800	Active OIL
30-025-27373	MEADCO PROPERTIES LTD	NORTH BILBREY 18 FEDERAL	1	LEA	S:18,T:21S,R:32E, UNIT G	14523	Active GAS
30-025-31518	COLLINS & WARE INC	FEDERAL NL	2	LEA	S:18,T:21S,R:32E, UNIT O	8475	PLUGGED

.5 mile AOR of Okerlund SWD

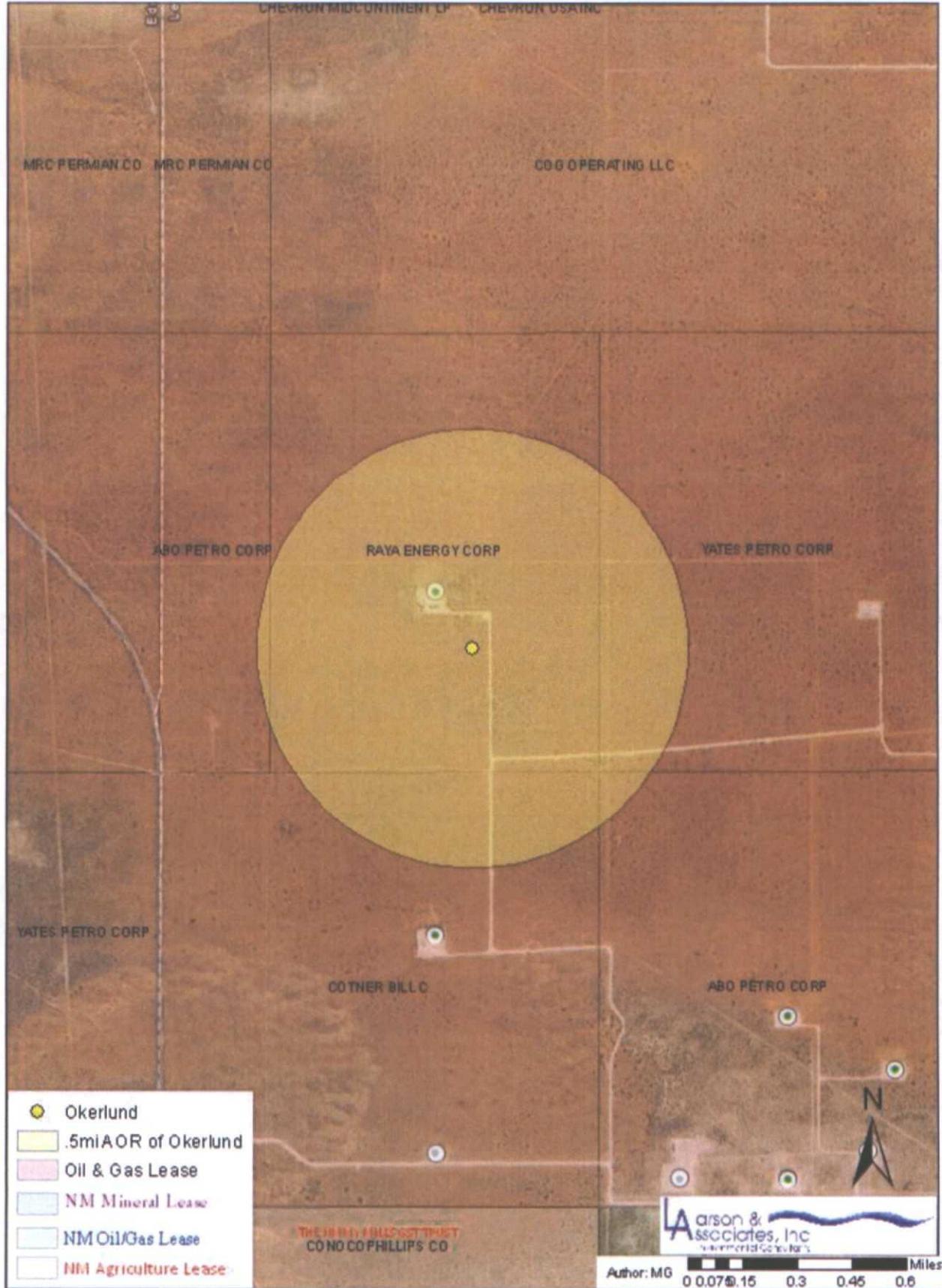


TABLE OF ACTIVE WELLS/ OPERATORS WITHIN THE AREA OF REVIEW OF THE PROPOSED OKERLUND SWD #1**R360 Permian Basin, LLC**

API #	Operator	Lease	Well #	County	Legal	Total depth (ft)	Well Status
30-025-27603	CONOCOPHILLIPS COMPANY	NORTH BILBREY 7 FEDERAL	1	LEA	S:7, T:21S, R:32E, UNIT J	14320	Active GAS

JACK C. MAGEE
Independent Petroleum Landman
8805 ECR 103
Midland, Texas 79706

605-28-1895 cell

mageclaw@midconetwork.com

June 8, 2015

Mark Larson
Larson & Associates, Inc.
507 N. Marienfeld, Suite 200
Midland, TX 79702

Re: Okerlund SWD #1
Section 7, T21S-R32E
Lea County, NM

Dear Mr. Larson:

You asked for an Report of "owners" within ½ mile of your proposed Okerlund SWD #1 disposal well being permitted in the captioned Section 7.

In this connection I researched the abstract tract records of Caprock Title Company in Midland, Texas; examined the abstract of title prepared by Schutz Abstract and the public website records of the Bureau of Land Management (BLM); the public website of the New Mexico Oil Conservation Commission (NMOCD); the public website of the State of New Mexico Land System; and the Lea County, NM Tax Assessor's public website..

Based on the material examined, I am attaching a Report of the surface owners and "affected persons" being any unleased mineral owner, or Lessee if not producing, or Operator if producing. I am also attaching copies of relevant information used in preparing the Report.

I also wish to bring to your attention that some of the Lessees named in my Report may not be current due to the lack of updated information being filed of record either with the BLM or in the county records and no attempt has been made to independently tract down the heirs or devisees of any person shown of record.

Thank you and please do not hesitate to call should you have any questions or comments.

Sincerely,



Jack C. Magee

Encl.

**OKERLUND SWD #1: OWNERS WITHIN 1/2 MILE RADIUS
LEA COUNTY, NM**

Section 7, Township 21 South, Range 32 East, NMPM

Surface Owners

All

United States Dept of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Oil & Gas Lessees/Operators

E/2 & E/2 W/2 - from the surface to 14,420'

Lease: NM 22809 dated 8/12/1974 which Lease was segregated from Lease: NM 14328.

Operator
ConocoPhillips Co.
600 North Dairy Ashford
Houston, TX 77079

E/2 & E/2 W/2 - 14,420' and below

Lease: NM 22809 dated 8/12/1974 which Lease was segregated from Lease: NM 14328.

Lessee(s)

Raya Energy Corp
308 Creek Ridge Lane
Round Rock, TX 78664

Lots 2-4

Lease: NM 64505 issued 2/1/1986, suspended effective 6/1/1995.

Lessee(s)
ABO Petroelum Corp.
105 South 4th Street
Artesia, NM 88210

Myco Industries, Inc.
105 South 4th Street
Artesia, NM 88210

OXY Y-1 Company
P.O. Box 27570
Houston, TX 77227

Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 88210

Potash Lessees

Section 7 is within the federally
"Designated Potash Area".

Note:

All

No current Potash lease found of record.

1. A suspension of operations and production was granted for Lease NM 64505, effective 6/1/1995, due to potash. The suspension shall remain in effect for an indefinite term until it is no longer necessary for the conservation of potash.

Section 8, Township 21 South, Range 32 East, NMPM

Surface Owners

All

United States Dept of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Oil & Gas Lessees/Operators

All

Lease: NM 121957 issued 5/1/2009

Operator
Yates Petroleum Corp.
Carlsbad Field Office
105 South 4th Street
Artesia, NM 88210

Potash Lessees

All

Section 8 is within the federally
"Designated Potash Area".

"No current Potash lease found of record.

Section 17, Township 21 South, Range 32 East, NMPM

Surface Owners

All

United States Dept of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Oil & Gas Lessees/Operators

All

Lease NM 94095 issued 12/1/1994

Operator
Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 88210

Potash Lessees

All

Section 17 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

Section 18, Township 21 South, Range 32 East, NMPM

Surface Owners

NE/4 NW/4, N/2 NE/4

United States Dept of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Oil & Gas Lessees/Operators

NE/4 NW/4, N/2 NE/4

Lease NM 14328 issued 9/1/1971

Operator: North Bilbrey 18 Federal Well
Bill Cotner, dba Meadco Properties, LTD
P.O. Box 2236
Midland, TX 79702-2236

Operating Rights Owners
Bill Cotner, dba Meadco Properties, LTD
P.O. Box 2236
Midland, TX 79702-2236

ConocoPhillips Co.
600 North Dairy Ashford
Houston, TX 77079

Khody Land and Minerals Company
210 Park Avenue
Suite 900
Oklahoma City, OK 73102

Hayes Land, LP
3300 N A St # 1-220
Midland, TX 79705

Potash Lessees

NE/4 NW/4, N/2 NE/4

Section 18 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

NM 22809
out of NM 14328

T.21 South - R.32 East
Section 07:E2,E2W2

L-H.B.P.
09/01/71

Lessee :

Raya Energy Corp.
308 Creek Ridge Ln.
Round Rock, TX 78664

RUN SHEET:

Lease NM 14328 issued 9/1/71 to Clem L. Ware for 10 years with 12.5% royalty to the USA.

Assign. of record title dated 4/1/72 from Clem L. Ware to Fluor Corp. 100%, reserving 1% overriding royalty.

Assign. of record title dated 5/1/73 from Fluor Corp. to Fluor Minerals, Inc. 100% as to all lands.

Decision of 8/12/74 segregated sec. 7: E2,E2W2 into NM 22809 because this land is not committed to the Salt Lake South unit.

Getty Oil Co.'s North Bilbery Federal No. 1 well was completed 3/16/82.

Assign. of operating rights dated 4/5/82 from Fluor Oil & Gas Corp. to Getty Oil Co. sec. 7: E2,E2W2 from the surface to 14,420' 50%.

Assign. of oper. rights dated 7/17/85 from Getty Oil Co. to Texaco Producing Inc. 50% as to sec. 7: E2,E2W2 from the surface to 14,420'.

Assign. of oper. rights dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels, Inc. sec. 7: E2,E2W2 from the surface to 14,420' 50%, below 14,420' 100%.

Assign. of record title dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels Inc. 100% as to all lands.

Frontier Fuels Inc. merged into Primary Fuels, Inc.

Assign. of record title dated 7/21/89 from Primary Fuels Inc. to Geodyne Nominee Corp. 100% as to all lands.

Assign. of oper. rights dated 7/21/89 from Primary Fuels Inc. to Geodyne Nominee Corp. 50% as to sec. 7: E2,E2W2 from the surface to 14,420' and 100% below 14,420'.

Texaco Producing Inc. changed its name to Texaco Exploration & Prod. Inc.

Assign. of oper. rights dated 5/6/02 from Texaco Exploration & Prod. Inc. to Chevron USA Inc. all of assignor's interest as to lease NM 22809.

Assign. of oper. rights dated 8/16/04 from Chevron USA Inc. to XTO Energy Inc. 50% as to sec. 7: E2W2,E2 from the surface to 14,420'.

Assign. of oper. rights dated 3/1/05 from XTO Energy Inc. to ConocoPhillips Co. 50% as to sec. 7: E2W2,E2 from the surface to 14,420'.

Assign. of record title dated 10/31/06 from Geodyne Nominee Corp. to Raya Energy Corp. 100% as to all lands.

Assign. of oper. rights dated 10/31/06 from Geodyne Nominee Corp. to Raya Energy Corp. 50% as to all lands from the surface to 14,420', 100% as to all depths below 14,420'.

OPERATING RIGHTS:

From the surface to 14,420':

Lessee 50%

ConocoPhillips Co. 50%
600 N. Dairy Ashford
Houston, TX 77079

Below 14,420':

Lessee 100%

OVERRIDING ROYALTY:

Clem L. Ware 1%
1603 N. Midkiff Rd., Apt. 231
Midland, TX 79701

12.5% Royalty to U.S.A

Notes:

12.5 % ROYALTY TO THE USA

Notes:

OXY Y-1 Company	20%
ABO Petroleum Corp.	20%
Sharbro Energy LLC	15%
Yates Industries LLC	5%

Sec. 17: SESE,W2E2,E2W2:

Lessees	100%
---------	------

OVERRIDING ROYALTY:

Sec. 17: W2W2,E2NE,NESE:

OXY Y-1 Company	.9%
ABO Petroleum Corp.	.9%
Sharbro Energy LLC	.675%
Yates Industries LLC	.225%

12.5% Royalty to U.S.A

Notes:

NM 14328

T.21 South - R.32 East
Section 18: Lots 1-4, E2, E2W2

L-H.B.P.
09/01/71

Lessee :

Bill Cotner, d/b/a Meadco Properties Ltd.
P.O. Box 2236
Midland, TX 79702

RUN SHEET:

Lease NM 14328 issued 9/1/71 to Clem L. Ware for 10 years with 12.5% royalty to the USA.

Assign. of record title dated 4/1/72 from Clem L. Ware to Fluor Corp. 100%, reserving 1% overriding royalty.

Assign. of record title dated 5/1/73 from Fluor Corp. to Fluor Minerals, Inc. 100% as to all lands.

Decision of 8/12/74 segregated sec. 7: E2, E2W2 into NM 22809 because this land is not committed to the Salt Lake South unit.

Decision of 8/19/75 extended this lease for two years from 6/18/75 due to the termination of the Salt Lake South unit.

Fluor Minerals, Inc. changed its name to Fluor Oil & Gas Corp.

Decision of 10/9/81 extended this lease to 8/31/83.

Assign. of working interest and operating rights dated 8/14/81 from Fluor Oil and Gas Corp. to Getty Oil Co. 1/2 interest as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412', reserving an overriding royalty of 1/16 of 8/8, relinquishing its 1/2 working interest until 100% of the costs are recovered. After payout, the production shall be owned Getty Oil Co. 1/2, Fluor Oil & Gas Corp. 1/2. In the event of assignor's election to terminate the overriding royalty, the interest hereby relinquished by assignor shall revert to assignor.

Assign. of oper. rights dated 7/17/85 from Getty Oil Co. to Texaco Producing Inc. 50% as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412'.

Assign. of oper. rights dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels, Inc. sec. 17: All, sec. 18: Lots 3, 4, E2SW, SE from the surface to 14,412' 50%, sec. 18: Lots 1, 2, E2NW, NE from the surface to 14,412' -0-, all depths below 14,412' as to all lands 100%.

Assign. of record title dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels, Inc. 100% as to all lands.

Frontier Fuels Inc. merged into Primary Fuels, Inc.

Assign. of oper. rights dated 6/22/89 from Texaco Producing Inc. to M. Brad Bennett, Inc. 50% as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412'.

Assign. of oper. rights dated 6/28/89 from M. Brad Bennett Inc. to Hayes Partners I as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412' 50%.

Assign. of oper. rights dated 7/21/89 from Primary Fuels, Inc. to Geodyne Nominee Corp. sec. 17: All, sec. 18: Lots 3,4,E2SW,SE from the surface to 14,412' 50%, sec. 18: Lots 1,2,E2NW,NE from the surface to 14,412' -0-, all lands below 14,412' 100%.

Assign. of record title dated 7/21/89 from Primary Fuels Inc. to Geodyne Nominee Corp. 100% as to all lands.

Assign. of oper. rights dated 3/1/91 from Hayes Partners I to Hayes Properties Inc. 50% as to sec. 17: All, sec. 18: Lots 1-4,E2,E2W2 from the surface to 14,412'.

Assign. of overriding royalty dated 7/5/91 from Hayes Properties Inc. to L. Shane Stokes 11.5% as to sec. 17: All from the surface to 14,412'.

Assign. of oper. rights dated 8/15/91 from Hayes Properties Inc. to Collins & Ware, Inc. 50% as to sec. 17: All from the surface to 14,412'.

Decision of 11/5/93 gave new serial # NM 92115 to sec. 17: All because this land was partially assigned out of NM 14328.

Assign. of oper. rights dated 12/3/91 from Hayes Properties Inc. to Collins & Ware, Inc. as to sec. 18: Lots 1,2, E2NW,NWNE,E2NE from the surface to the top of the Bone Springs formation 50%. The assignment shows 100% owned, 50% conveyed, 50% retained. Assignor only appeared to own 50%.

Assign. of oper. rights dated 6/17/92 from Collins & Ware Inc. to Phillips Petroleum Co. 33.33% as to sec. 18: Lots 1,2,E2NW,NWNE,E2NE from the surface to the top of the Bone Springs formation.

Assign. of oper. rights dated 12/29/94 from Collins & Ware Inc. to Louis Dreyfus Natural Gas Corp. 16.67% as to sec.18: Lots 1,2,E2NW,NWNE,E2NE from the surface to the top of the Bone Springs formation.

Assign. of oper. rights dated 1/19/00 from Hayes Properties Inc. to Hayes Land Corp. 50% as to sec. 18: Lots 3,4,E2SW,SE surface to 14,412', 50% as to sec. 18: Lots 1,2,E2NW,NWNE,E2NE from the top of the Bone Springs to 14,412', 50% as to sec. 18: SWNE from the surface to 14412'.

Louis Dreyfus Nat. Gas Corp. merged into Dominion OK TX Exploration & Prod. Inc.

Phillips Oil Co. merged into ConocoPhillips Co.

Assign. of oper. rights dated 8/29/06 from Hayes Land, LP to Meadco Properties, Ltd. 7.5% as to sec. 18: Lots 1-4,E2,E2W2 from the surface to 14,412'. The assignor doesn't appear to own interest.

Assign. of oper. rights dated 11/2/06 from Dominion OK TX Exploration & Prod. Inc. to Lobos Energy Partners LLC all of grantor's interest as to all lands.

Lobos Energy Partners LLC merged into Khody Land & Minerals Co.

Assign. of oper. rights dated 12/29/06 from Hayes Land & Prod. LP to Meadco Properties Ltd. 7.5% as to sec. 18: Lots 1-4,E2,E2W2 surface to 14,412'. (The assignor didn't acquire interest until assignment of 8/2/07.)

Assign. of oper. rights dated 8/2/07 from Geodyne Nominee Corp. to Hayes Land & Prod. LP 50% as to sec. 18: Lots 3,4,E2SW,SE from the surface to 14,412', 100% all depths below 14,412', 100% as to sec. 18: Lots 1,2,E2NW,NE all depths below 14,412'.

Assign. of record title dated 8/2/07 from Geodyne Nominee Corp. to Hayes Land & Prod. LP 100% as to all lands.

Assign. of oper. rights dated 9/28/07 from Hayes Land & Prod. LP to Hayes Land LP 42.5% and David C. Cotner d/b/a Meadco Properties Ltd. 7.5% as to sec. 18: Lots 3,4,E2SW,SE from the surface to 14,412' 28.75% interest, all depths below 14,412' 57.5% interest, sec. 18: Lots 1,2,E2NW,NE all depths below 14,412' 57.5%.

Assign. of record title dated 9/28/07 from Hayes Land & Prod. LP to Bill C. Cotner d/b/a Meadco Properties Ltd. 100% as to all lands.

Yates Drilling Co. changed its name to OXY Y-1 Co.

Assign. of oper. rights dated 11/11/14 from Bill C. Cotner Family Properties, Ltd. 11.25% reserving 1.29375% ORRI, David C. Cotner 3.75%, reserving .43125% ORRI, Hayes Land & Prod. LP 42.5%, reserving 4.88750% ORRI, Hayes Land, LP 42.5%, reserving 4.8875% ORRI to Manzano, LLC (100%) as to sec. 18: Lot 3,N2SE,NESW between the surface and the base of the Delaware formation.

OPERATING RIGHTS:

We are unable to determine the ownership of operating rights due to discrepancies in the assignments filed of record at BLM. See the run sheet.

OVERRIDING ROYALTY:

Clem L. Ware
1603 N. Midkiff Rd., Apt. 231
Midland, TX 79701

1%

Assign. of working interest and operating rights dated 8/14/81 from Fluor Oil and Gas Corp. to Getty Oil Co. 1/2 interest as to sec. 18: Lots 1-4,E2,E2W2 from the surface to 14,412', reserving an overriding royalty of 1/16 of 8/8, relinquishing its 1/2 working interest until 100% of the costs are recovered. After payout, the production shall be owned Getty Oil Co. 1/2, Fluor Oil & Gas Corp. 1/2. In the event of assignor's election to terminate the overriding royalty, the interest hereby relinquished by assignor shall revert to assignor.

Assign. of oper. rights dated 11/11/14 from Bill C. Cotner Family Properties, Ltd. 11.25% reserving 1.29375% ORRI, David C. Cotner 3.75%, reserving .43125% ORRI, Hayes Land & Prod. LP 42.5%, reserving 4.88750% ORRI, Hayes Land, LP 42.5%, reserving 4.8875% ORRI to Manzano, LLC as to sec. 18: Lot 3,N2SE,NESW between the surface and the base of the Delaware formation.

12.5% Royalty to U.S.A

Notes:

ATTACHMENT VI

**No Wells Penetrate the Injection Zone within the AOR of the Proposed SWD
Well**

ATTACHMENT VII

Operation Summary

Well: Okerlund SWD #1

Location: 1470' FSL and 1555' FEL
Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East,
Lea County, New Mexico

Injection Zone: Devonian

Well TD: 16,000'

Summary:

1. Proposed average daily injection rate is 16,000 bbl/day with maximum daily injection rate of 20,000 bbl/day
2. This will be a closed system
3. Proposed average injection pressure is 2,800 psi with maximum pressure of 2,800 psi
4. Source of injection fluid will be exempt liquid E & P waste
5. One gas well, North Bilbrey 7 Federal (30-025-27603), exists within ½ mile of the proposed well but does not penetrate the injection zone. Two wells penetrating the injection interval (Hat Mesa #1 and Audie Richards #1) were reviewed to evaluate the reservoir quality for the proposed injection interval. The Hat Mesa #1 well, drilled by Conoco Phillips Company, is located about 4.7 miles east of the proposed Okerlund SWD #1 well, in Unit G (SW/4, NE/4), Section 11, Township 21 South, Range 32 East, in Lea County, New Mexico. The Audie Richards #1 well, drilled by the Texas Company, is located approximately 3.9 miles north of the proposed Okerlund SWD #1 well, in Unit P (SE/4, SE/4), Section 25, Township 20 South, Range 32 East, in Lea County, New Mexico. The Audie Richards #1 well was drilled to 16,600 feet (TD) and encountered the Precambrian (granite) at 16,550. The Devonian section was found not to be productive of oil and gas.

ATTACHMENT VIII

Geologic Summary

Information on geological strata for this section was derived in part from a well (Audie Richards #1) that was drilled about 3.9 miles north of the proposed Okerlund SWD #1 in Unit P (SE/4, SE/4), Section 25, Township 20 South and Range 32 East (Nicholson and Clebsch, 1961). The well was drilled a total depth (TD) of 16,600 feet and encountered Precambrian (granite) at 16,550 feet. Figure 1 presents a type log based on rock descriptions from the Audie Richards #1 well.

The proposed SWD well is located in the Delaware Basin between the northwestern shelf and central basin platform of the Permian Basin. The area is underlain by a thin layer of Quaternary-age alluvium consisting of sand, silty sand and clay that rests directly on Triassic-age red bed (clay, mudstone, etc.) of the Dewey Lake formation.

The Triassic-age rocks are underlain by rocks of Permian-age that have a collective thickness of about 11,600 feet. The Permian formations include, in descending order, the Rustler, Salado, Castile, Artesia Group (Tansill and Yates formations), Capitan, Delaware Mountain Group (Bell Canyon, Cherry Canyon and Brushy Canyon formations), Bone Springs Limestone and Wolfcamp Shale. The Rustler formation occurs between about 350 and 550 feet and is composed chiefly of dolomite, dolomitic limestone, gypsum and mudstone.

The Salado and Castile formations are principally anhydrite, shale and limestone. The Salado formation contains economic deposits of potash and anhydrite and varies in thickness from about 1,500 to 2,000 feet. The Tansill and Yates formations are predominantly carbonates with some evaporates and a collective thickness between about 350 and 450 feet.

The Permian-age Capitan formation, also known as the Capitan aquifer, occurs below the Yates formation between approximately 3,500 and 5,000 feet. The formation developed around the margins of the Delaware Basin and is predominately limestone and dolomite.

The Delaware Mountain Group includes the Bell Canyon, Cherry Canyon and Brushy Canyon formations and underlies the Capitan formation. The Delaware Mountain Group occurs between approximately 5,000 to 8,000 feet and consists of a thick sequence of largely of deep marine sandstone interbedded with shale and limestone. Some oil and gas is produced from the Bell Canyon and Brushy Canyon formations.

The Bone Springs Limestone is comprised of thin beds of cherty black limestone and sandstone between approximately 1,500 to 2,500 feet thick. The Bone Springs occurs between approximately 8,000 and 10,500 feet near the Okerlund SWD. Oil and gas is produced from

several distinct intervals in the Bone Springs Limestone. The Wolfcamp Shale is the lowermost Permian-age formation and is composed of non-organic between approximately 10,500 and 12,000 feet. The Wolfcamp Shale marks the boundary between rocks of Permian and Pennsylvanian-age.

Rocks of Pennsylvanian age comprise a sequence of marine carbonates, shale and clastics with a combined thickness of about 775 feet between about 12,000 and 12,700 feet. The Strawn formation (Middle Pennsylvanian) occurs beneath the Wolfcamp Shale and is composed of about 300 feet of shale and sandstone, mudstone and conglomerate. The Atoka and Morrow formations, in descending order, occur beneath the Strawn formation and are about 475 and 650 feet thick, respectively. The Atoka formation is composed interbedded sandstone whereas the Morrow formation is composed of limestone in the upper part and clastics in the lower part.

Rocks of Mississippian age underlie the Morrow formation and are represented by the Barnett Shale and Mississippian Lime, in descending order, with a collective thickness of about 600 feet. The Mississippian-age rocks are underlain by the Upper Devonian-age Woodford Shale, which is approximately 175 feet thick and is composed predominately of black organic-rich marine shale, siltstone and sandstone. The Woodford Shale occurs above the Devonian section at about 14,000 feet. Rocks of Siluro-Devonian age underlie the Woodford Shale and are composed mainly of chert and cherty carbonate rocks. The Siluro-Devonian rocks occur between about 14,000 and 16,000 feet. The proposed depth of the proposed injection well is 16,000 feet with injection interval to be determined from field observations. The Siluro-Devonian rocks are underlain by Ordovician-age rocks represented by the Montoya, Simpson and Ellenberger formations, in descending order.

Figure 1: presents a type log based on a test well (Audie Richards #1) that was drilled to 16,600 feet (TD) and encountered Precambrian rock (granite) at 16,550 feet. The well was drilled about 3.9 miles north of the proposed Okerlund SWD #1 in Unit P (SE/4, SE/4), Section 25, Township 20 South and Range 32 East.

Figure 2 presents a detailed geological cross section of the injection zone. The geological cross section (A to A') was prepared based on rock descriptions from the Hat Mesa #1 located in Unit G (SW/4, NE/4), Section 11, Township 21 South, Range 32 East and Audie Richards #1, a distance of about 6 miles. The cross section transects the Capitan Reef from northwest to southeast. The cross section does not show any offsets that would suggest faulting is present. The cross section shows good correlation of the Siluro – Devonian contact and the potential injection zone.

References:

- Nicholson, A., Jr., and A. Clebsch, 1961, Geology and Ground-Water Conditions in Southern Lea County, New Mexico, Ground-Water Report 6: Socorro, NM. New Mexico State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining & Technology. p. 123

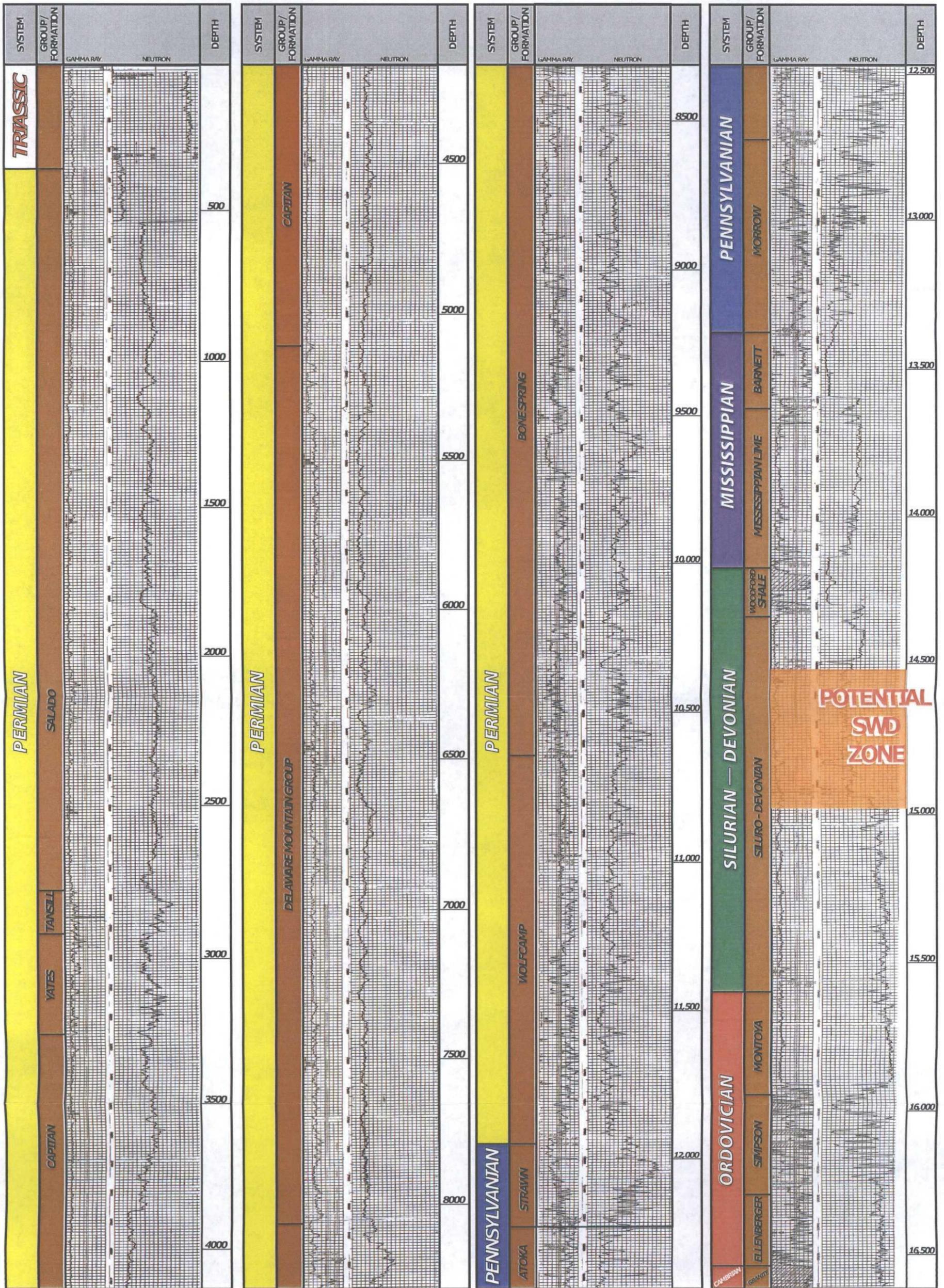
Groundwater Summary

The Okerlund SWD #1 is located over the Capitan Reef, a geologic feature that developed around the margins of the Delaware Basin. Groundwater occurs in the Permian-age Rustler and Capitan formations. Groundwater in the Rustler formation occurs in dolomite beds in the upper part and gypsum beds near the base of the formation. Groundwater from the lower part of the Rustler formation is generally very saline to saturated brine. Groundwater occurs in limestone units in the Capitan formation. The Capitan aquifer is the principal water source for the City of Carlsbad, New Mexico. However, near the Okerlund SWD water quality is generally poor due to elevated levels of sodium, chloride and sulfate.

According to records from the New Mexico Office of the State Engineer, a well is located within 1-mile of the Okerlund SWD well. Further review indicates that the well is owned by the U.S. Department of Energy's Waste Isolation Pilot Plant (WIPP) and monitored by Sandia National Laboratories. The well is reported to be 1,352 feet deep. A request for information pertaining to well completion and water quality was not answered. A review of water well information by Geosearch found no other wells except the DOE monitoring well within 1 mile of the Okerlund SWD #1.

***Refer to attached figures and copy of Office of the State Engineer Well Inventory
and Geosearch Water Well Report***

The Texas Company Audie Richards #1 Sec. 25, T-20-S, R-32-E
Lea County, New Mexico



Larson & Associates, Inc.
Environmental Consultants

Okerlund SWD Well #1
Lea County, New Mexico

Type Log

FIGURE 1: TYPICAL SECTION OF ROCKS PENETRATED

Halliburton
OIL WELL CEMENTING CO.

RADIOACTIVITY LOG
NATURAL GAMMA RADIATION INDUCED GAMMA RADIATION

COMPANY THE TEXAS COMPANY	Location
FILE	660' Fr. S.L.
WELL AIDIE RICHARDS # 1	Sec. 25
FIELD WILDCAT	Twp. 20-S
COUNTY Lea	Sec. 22-E
STATE N.M.	GE-NG (E.S. - Contact-C&I)
SEC. 25 TWP. 20-S RGE. 22-E	Elev. D.P. 2609
SURVEY	K.B. 2610
	Grid 2599

Log Measured From Drive Bushing Elevation 3610
 Drilling Measured From Drive Bushing Elevation 3610
 Pressure Measured From Ground Level Elevation 3209

Schlumberger
BOREHOLE COMPENSATED SONIC LOG - GAMMA RAY

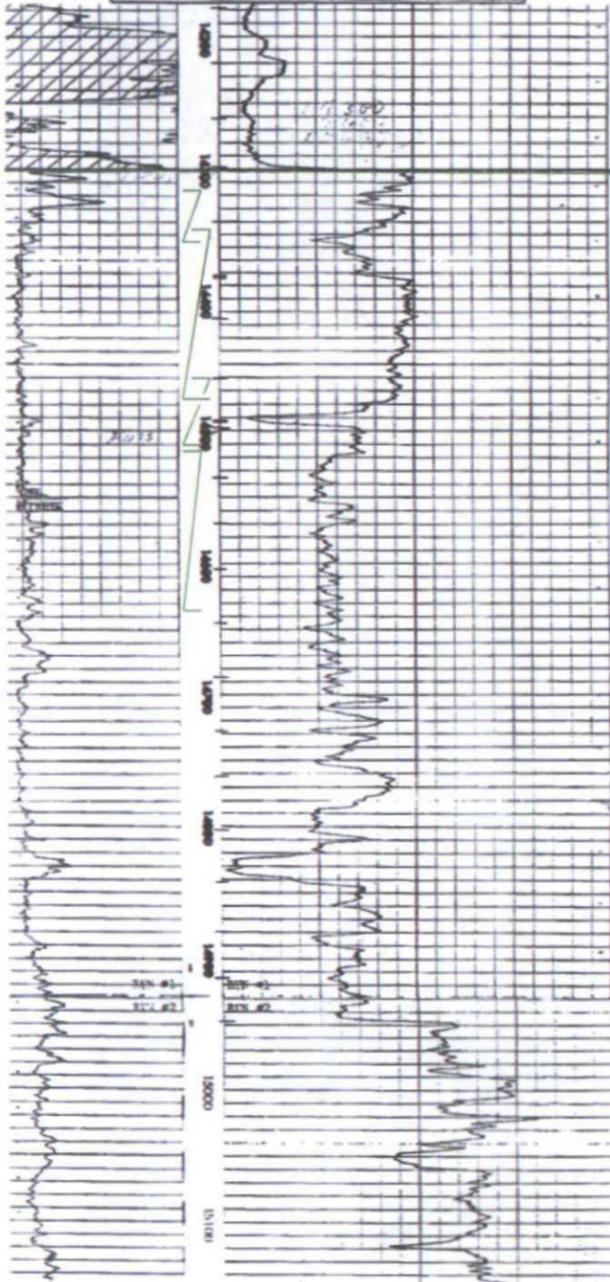
COMPANY PHILLIPS PETROLEUM COMPANY
WELL WST WESA #1
FIELD WILDCAT
COUNTY Lea STATE NEW MEXICO
LOCATION 1980/FML 1980/FEL
Sec. 11 Twp. 21-S Rge. 22-E
Processed Datum, CASING HEAD FLANGE Elev. 3811
Log Measured From S.S. 23 Ft. Above Perm. Datum
Drilling Measured From S.S.
Other Services: 203-ALL, P&L, PDC, PDC, SWP
Elev. K.A. 3515
D.P. 3511
Grid 2599

DST: Rec:
180' SW

DST: Rec:
45' DM

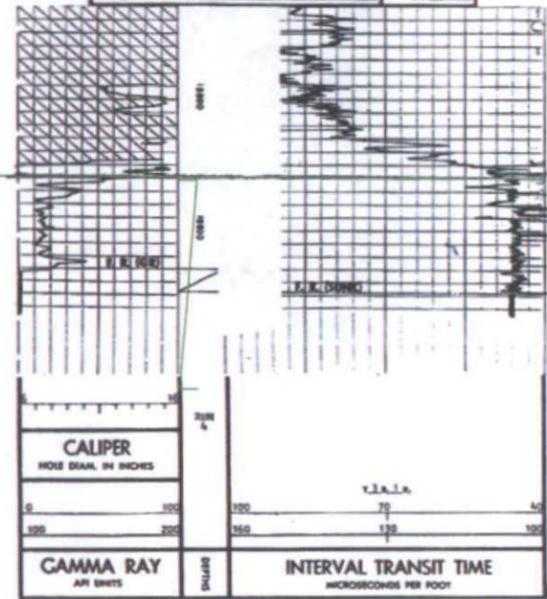
DST: Rec:
40' DM

DST: Rec:
10,334' SW

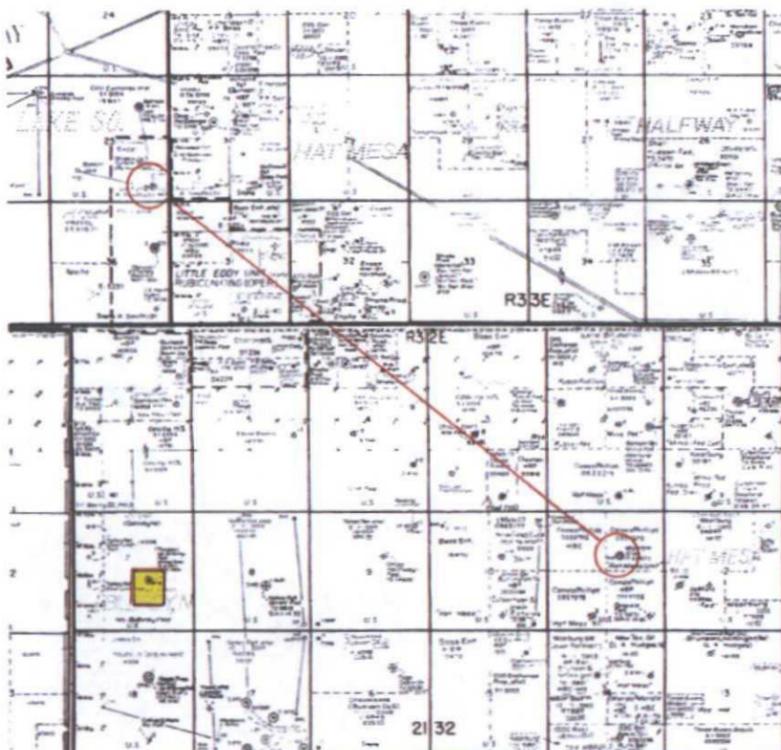


Datum
Siluro - Devonian

Index Map



DST: REC:
3,000' WB,
3,800' SGCM,
9,671' XSW



Okerlund SWD Well #1
Lea County, New Mexico
Stratigraphic
Cross Section



New Mexico Office of the State Engineer

Wells with Well Log Information

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

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

(quarters are smallest to largest) (NAD83 UTM in meters)

(in feet)

POD Number	POD Code	Subbasin	County	Source	6416	4	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Log File Date	Depth Well	Depth Water	Driller	License Number	
C 03151			ED	Shallow	4	1	4	07	21S	32E	621119	3595526*	08/23/2005	09/10/2005	09/20/2005	1352		BROCKMAN, BERNARD J.	1184

Record Count: 1

PLSS Search:

Section(s): 7

Township: 21S

Range: 32E

*UTM location was derived from PLSS - see Help

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



New Mexico Office of the State Engineer
Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 8

Township: 21S

Range: 32E



New Mexico Office of the State Engineer
Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 17

Township: 21S

Range: 32E



New Mexico Office of the State Engineer
Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 18

Township: 21S

Range: 32E



On time. On target. In touch.™

Water Well Report

<http://www.geo-search.net/QuickMap/index.htm?DataID=Standard0000114581>

Click on link above to access the map and satellite view of current property

Target Property:

Okerlund SWD

Lea County, New Mexico 88252

Prepared For:

Larson & Associates

Order #: 52470

Job #: 114581

Project #: 15-0126-00

PO #: 1703

Date: 07/21/2015

TARGET PROPERTY SUMMARY

Okerlund SWD

Lea County, New Mexico 88252

USGS Quadrangle: The Divide, NM

Target Property Geometry: Point

Target Property Longitude(s)/Latitude(s):

(-103.710489, 32.489944)

County/Parish Covered:

Eddy (NM), Lea (NM)

Zipcode(s) Covered:

Carlsbad NM: 88220

Jal NM: 88252

State(s) Covered:

NM

***Target property is located in Radon Zone 2.**

Zone 2 areas have a predicted average indoor radon screening level between 2 and 4 pCi/L (picocuries per liter).

Disclaimer - The information provided in this report was obtained from a variety of public sources. GeoSearch cannot ensure and makes no warranty or representation as to the accuracy, reliability, quality, errors occurring from data conversion or the customer's interpretation of this report. This report was made by GeoSearch for exclusive use by its clients only. Therefore, this report may not contain sufficient information for other purposes or parties. GeoSearch and its partners, employees, officers and independent contractors cannot be held liable for actual, incidental, consequential, special or exemplary damages suffered by a customer resulting directly or indirectly from any information provided by GeoSearch.

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

DATABASE FINDINGS SUMMARY

DATABASE	ACRONYM	LOCA- TABLE	UNLOCA- TABLE	SEARCH RADIUS (miles)
FEDERAL				
UNITED STATES GEOLOGICAL SURVEY NATIONAL WATER INFORMATION SYSTEM	NWIS	0	0	1.0000
SUB-TOTAL		0	0	
STATE (NM)				
WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE WATERS SYSTEM		1	0	1.0000
SUB-TOTAL		1	0	
TOTAL		1	0	

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

LOCATABLE DATABASE FINDINGS

ACRONYM	SEARCH RADIUS (miles)	TP/AP (0 - 0.02)	1/8 Mile (> TP/AP)	1/4 Mile (> 1/8)	1/2 Mile (> 1/4)	1 Mile (> 1/2)	> 1 Mile	Total
FEDERAL								
NWIS	1.000	0	0	0	0	0	NS	0
SUB-TOTAL		0	0	0	0	0	0	0
STATE (NM)								
WATERS	1.000	0	1	0	0	0	NS	1
SUB-TOTAL		0	1	0	0	0	0	1

TOTAL	0	1	0	0	0	0	0	1
-------	---	---	---	---	---	---	---	---

NOTES:

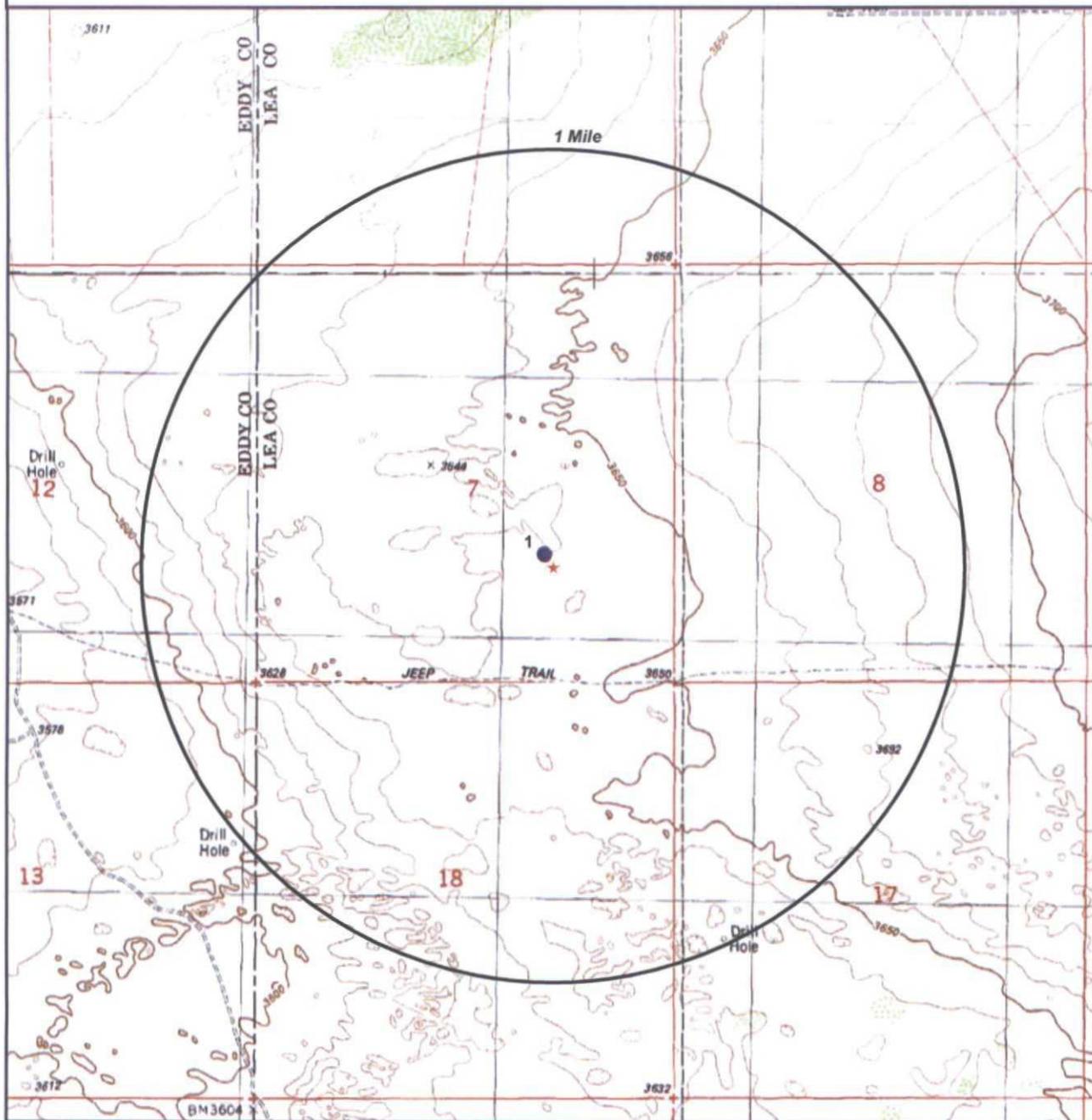
NS = NOT SEARCHED

TP/AP = TARGET PROPERTY/ADJACENT PROPERTY

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

WATER WELL MAP



- ★ Target Property (TP)
- WATERS

Okerlund SWD
Lea County, New Mexico
88252

CONTOUR LINES REPRESENTED IN FEET



0' 1000' 2000' 3000'
SCALE: 1" = 2000'

GeoSearch www.geo-search.com - phone: 888-396-0042 - fax: 512-472-9967

REPORT SUMMARY OF LOCATABLE SITES

MAP ID#	DATABASE NAME	SITE ID#	DISTANCE FROM SITE	SITE NAME	ADDRESS	CITY, ZIP CODE	PAGE #
1	WATERS	C03151	0.037 NW				1

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9987

WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE SYSTEM (WATERS)

MAP ID# 1

Distance from Property: 0.04 mi. NW

GEOSEARCH ID: C03151
OWNER'S NAME:
DATE DRILLED: 09/10/2005
DEPTH DRILLED: 1352.000000000000 FT.
DATE PLUGGED: / /
STATIC LEVEL: 0.000000000000 FT.
WATER USAGE: NOT REPORTED
LONGITUDE: -103.710849000
LATITUDE: 32.490392000

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

NWIS

United States Geological Survey National Water Information System

VERSION DATE: 7/2014

This USGS National Water Information System database only includes groundwater wells. The USGS defines this well type as: A hole or shaft constructed in the earth intended to be used to locate, sample, or develop groundwater, oil, gas, or some other subsurface material. The diameter of a well is typically much smaller than the depth. Wells are also used to artificially recharge groundwater or to pressurize oil and gas production zones. Additional information about specific kinds of wells should be recorded under the secondary site types or the Use of Site field. Underground waste-disposal wells should be classified as waste-injection wells.

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

ENVIRONMENTAL RECORDS DEFINITIONS - STATE (NM)

WATERS Water Administration Technical Engineering Resource System

VERSION DATE: 4/2014

This water well location data was extracted from the NM Office of the State Engineer's Water Administration Technical Engineering Resource System database. Changes are periodically added to the information and may be made at any time. The database may contain information for areas not complete, including in-progress areas, this information should not be relied on as accurate or complete.

GeoSearch

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

ATTACHMENT IX

Proposed Stimulation Program

The well will be perforated in intervals based on porosity and acidized. Coiled tubing will be used to place the acid across the porous zones accurately.

ATTACHMENT X

Logging and Test Data

A type log (Figure 1) was prepared from a test well (Audie Richards #1) that was drilled 16,600 feet (TD) and encountered Precambrian rock (granite) at 16,550 feet. The well was drilled about 3.9 miles north of the proposed SWD in Unit P (SE/4, SE/4), Section 25, Township 20 South and Range 32 East. The well was logged with conventional logging tools available at the time.

ATTACHMENT XI

Chemical Analysis from Fresh Water Well

According to records from the New Mexico Office of the State Engineer, there is one water well located within 1-mile of the Okerlund SWD #1. Contact with the owners (Sandia National Laboratories/ WIPP) of this well was attempted but further information could not be obtained.

***Refer to attached Office of the State Engineer Well Inventory and Geosearch
Water Well Report
(Attachment VIII)***

From: Michael Gant
To: "infocntr@wipp.ws";
Subject: Inquiry for well SNL 6
Date: Wednesday, July 22, 2015 9:31:00 AM

Hello,

I am a geologist working on a permit through the NMOCD. We have come across a well that the BLM identified as owned by WIPP (Sandia National Laboratories). The well is labeled SNL-6 and is located in the north east corner of section 7 of township 21S range 32E in Lea county, NM. I am looking for any lab results or information that you may have available for this well. Any information on depth to groundwater, levels of BTEX or any anions /cations, and the formation where the well was drilled. If this information is not available we would need access to this well to perform our own chemical analysis in compliance with the NMOCD. Any information you can offer would be greatly appreciated.

Thank you.

Michael Gant

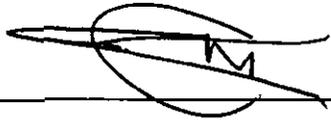
Geologist
Larson & Associates, Inc.
432-664-5357

ATTACHMENT XII

Faults and Hydrologic Connections

Statement

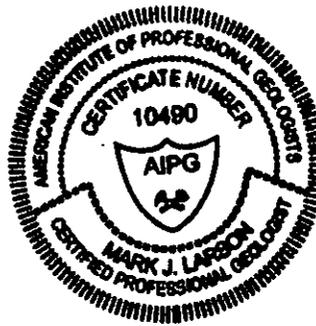
I, Mark J. Larson, have reviewed available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.



Mark J. Larson

July 29, 2015

Date



ATTACHMENT XIII

Proof of Notice

The following parties were identified as having surface/mineral/lease ownership within one-half mile of the proposed SWD well and were notified on July 29, 2015:

Abo Petroleum Corp.

105 South 4th street

Artesia, NM 88210

Khody Land and Minerals Company

210 Park Avenue

Suite 900

Oklahoma City, OK 73102

U.S. Bureau of Land Management

Carlsbad Field Office

620 East Greene Street

Carlsbad, NM 88220

Myco Industries, Inc.

105 South 4th Street

Artesia, NM 88210

Bill Cotner, dba Meadco Properties, LTD

P.O. Box 2236

Midland, TX 79702-2236

OXY Y-1 Company

P.O. Box 27570

Houston, TX 77227

ConocoPhillips Co.

600 North Dairy Ashford

Houston, TX 77079

Raya Energy Corp.

308 Creek Ridge Lane

Round Rock, TX 78664

Hayes Land, LP

3300 N A St. # 1-220

Midland, TX 79705

Sharbro Energy LLC

P.O. Box 840

Artesia, NM 88210

Yates Petroleum Corp.

105 South 4th Street

Artesia, NM 88210

Refer to attached Letters of Notification



WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Bill Cotner, dba Meadco Properties, LTD
P.O. Box 2236
Midland, TX 79702-2236

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Okerlund SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 1 office located at 1625 N. French Drive in Hobbs, New Mexico 88240 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Brass
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Abo Petroleum Corp.
105 South 4th street
Artesia, NM 88210

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

ConocoPhillips Co.
600 North Dairy Ashford
Houston, TX 77079

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

Dear Lessee:

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Hayes Land, LP
3300 N A St. # 1-220
Midland, TX 79705

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Brass
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Khody Land and Minerals Company
210 Park Avenue
Suite 900
Oklahoma City, OK 73102

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future

July 29, 2015

Myco Industries, Inc.
105 South 4th Street
Artesia, NM 88210

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

OXY Y-1 Company
P.O. Box 27570
Houston, TX 77227

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Raya Energy Corp.
308 Creek Ridge Lane
Round Rock, TX 78664

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Sharbro Energy LLC
P.O. Box 840
Artesia, NM 88210

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

Dear Lessee:

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 88210

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC, Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New Mexico

Dear BLM:

The enclosed application has been submitted to the New Mexico Oil Conservation Division (OCD) for permitting a commercial salt water disposal (SWD) well in Unit J (NW/4, SE/4) Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. You are receiving this letter and application as Administrator of U.S. Government Lands. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

July 29, 2015

Mr. Phillip Goetze
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Okerlund SWD #1, 360 Permian Basin LLC, Unit M (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico

Dear Mr. Goetze,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be 1470' FSL and 1555' FEL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 14,000 and 16,000 feet. Notification and a copy of the permit application were sent to the NMOCD District 1 office in Hobbs, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs

cc: Maxey Brown – Supervisor

Enc/



PUBLIC NOTICE

The attached public notice was submitted to the Hobbs News Sun for one-time publication.

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Okerlund SWD #1). The well will be located 1470' FSL and 1555' FEL, in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be located approximately 40 miles southwest of Hobbs, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,000' and 16,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.

8/10/2015 DATE IN	SUSPENSE	RRG ENGINEER	8/10/2015 LOGGED IN	SWD TYPE	Perm 152 2254037 APP NO
----------------------	----------	-----------------	------------------------	-------------	----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

SWD-1573
 -2360 Permian Basin LLC
 289936
 well
 -OK on SWD #1
 30-025 - pending
 Pool
 -SWD, DeUmitan
 96101

- [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.

Luke Gross [Signature] Gov. Regulatory Affairs/30 8/10/15
 Print or Type Name Signature Title Date
luker@R300ES.COM
 e-mail Address

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
August 06, 2015
and ending with the issue dated
August 06, 2015.



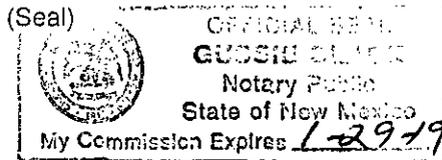
Publisher

Sworn and subscribed to before me this
6th day of August 2015.



Business Manager

My commission expires
January 29, 2019



LEGAL NOTICE
August 6, 2015

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Okerlund SWD #1). The well will be located 1470' FSL and 1555' FEL, in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be located approximately 40 miles southwest of Hobbs, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,000' and 16,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.
#30239

02105581

00160845

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

MARK LARSON
LARSON AND ASSOCIATES
507 NORTH MARIENFELD SUITE 202
MIDLAND, TX 79701

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Tuesday, August 04, 2015 11:16 AM
To: 'lukeb@r360es.com'
Subject: Okerlund SWD Well No. 1

Mr. Bross:

I received your application yesterday

I need the following information:

- Administrative application checklist
- Return receipt for all affected parties
- Notarized proof of publication in the newspaper in the county where the proposed well is located.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462
Michael.mcmillan@state.nm.us



C-108 Review Checklist: Received 8/10 Add. Request: 8/26 Reply Date: 9/27 Suspended: _____

PERMIT TYPE: WFX / PMX SWD Number: 1574 Permit Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): OKenLind SWD

API: 30-0 25-Pending Spud Date: MA New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 1555 FEL Lot _____ or Unit 3 Sec 7 Tsp 21S Rge 32E County Lea

General Location: 230 miles SW of Hobbs Pool: SWD, Devonian Pool No.: 9610/

BLM 100K Map: 5A1 Operator: R 360 Pennian OGRID: 269936 Contact: BRoss

COMPLIANCE RULE 5.9: Total Wells: 2 Inactive: 1 Fincl Assur: Y Compl. Order? N IS 5.9 OK? Y Date: 5-26-2015

WELL FILE REVIEWED Current Status: Proposed

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

Planned Rehab Work to Well: _____

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Meth
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> Surface	<u>2 1/2</u>	<u>1060</u>	<u>1375</u>	<u>SURFACE/VISUAL</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod	<u>1 7/8 / 1 3/8</u>	<u>2900</u>	<u>1940</u>	<u>SURFACE/VISUAL</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod	<u>1 1/4 / 5/8</u>	<u>5100</u>	<u>1145</u>	<u>SURFACE/VISUAL</u>
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner	<u>8 1/2 / 7</u>	<u>14965</u>	<u>5725</u>	<u>SURFACE/VISUAL</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner	<u>5 7/8 / 4 1/2</u>	<u>1465</u>		<u>SURFACE</u>
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> OH / PERF	<u>1400 / 1600</u>		<u>1700</u>	

Injection Stratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details
Adjacent Unit: Litho. Struc. Por.		<u>sw</u>	<u>14125</u>	Drilled TD <u>16000</u> PBDT _____
Confining Unit: Litho. Struc. Por.		<u>ML</u>	<u>13650</u>	NEW TD _____ NEW PBDT _____
Proposed Inj Interval TOP:	<u>14000</u>			NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/>
Proposed Inj Interval BOTTOM:	<u>16000</u>			Tubing Size <u>4 1/2</u> in. Inter Coated? <u>Y</u>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth <u>13900</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>13900</u> (100-ft limit)
				Proposed Max. Surface Press. <u>2800</u> p
				Admin. Inj. Press. <u>2800</u> (0.2 psi pe

AOR: Hydrologic and Geologic Information

POTASH: R-111-P Noticed? _____ BLM Sec Ord WIPP Noticed? _____ SALT/SALADO T: _____ B: _____ CLIFF HOUSE

FRESH WATER: Aquifer _____ Max Depth _____ HYDRO AFFIRM STATEMENT By Qualified Person

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

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

Disposal Int: Inject Rate (Avg/Max BWPD): 16,000/20,000 Protectable Waters? _____ Source: _____ System: Closed or Open

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

AOR Wells: 1/2-M Radius Map? Y 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 August 2, 2015 Mineral Owner BLM Surface Owner BLM N. Date 7/29

RULE 26.7(A): Identified Tracts? _____ Affected Persons: YATES, R K I, CONO LU N. Date 8/15

Permit Conditions: Issues: Limit injection to Devonian

Add Permit Cond: Injection B/W 14K-16K. Each casing string circulated to casing off potash & Capitan wise per standards. Surface

McMillan, Michael, EMNRD

From: Mark Larson <Mark@laenvironmental.com>
Sent: Thursday, August 27, 2015 12:44 PM
To: McMillan, Michael, EMNRD
Subject: Re: Okerlund SWD #1

Michael,

Here's revised tops for the Okerlund #1 SWD well based on a review of the Getty Federal #7 log by James Turbyfill. With the Larmar present at 4,453' it's unlikely the Capitan is present at this location.

Lamar: 4,453'
Bone Springs: 8,360'
Wolfcamp: 10,160'
Strawn: 12,678'
Morrow Lime: 13,420'
Chester: 14,260'
Woodford: 14,798'
Silurian/Devonian: 14,965'
Montoya: 16,225'
Simpson: 16,575'
Ellenburger: 16,915'
Granite: 17,215'

Please let me know if you have questions, need additional information or modifications.
Mark

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8181 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-8720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1221 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-5480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1221 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name OKERLUND SWD	Well Number 1
OGRID No.	Operator Name R360	Elevation 3644

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West LINE	County
J	7	21 S	32 E		1470	SOUTH	1555	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/EAST LINE	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N: 546305.3 E: 729531.5 (NAD 83)	N: 546332.6 E: 732267.5 (NAD 83)	N: 546360.1 E: 734909.1 (NAD 83)	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 7/28/15 Signature Date</p> <p>Luke Cross Printed Name</p> <p>luke@R360ES.com Email Address</p>
<p>SURFACE LOCATION</p> <p>Lat - N 32°29'23.80" Long - W 103°42'37.76" NMSPC- N 542533.1 E 733579.6 (NAD-83)</p>			
N: 541021.4 E: 729560.9 (NAD 83)	<p>1470' S.L.</p> <p>1555'</p>		<p>0' 500' 1000' 1500' 2000'</p> <p>SCALE: 1" = 1000' WO Num.: 31648</p>

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

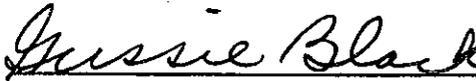
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 06, 2015
and ending with the issue dated
August 06, 2015.



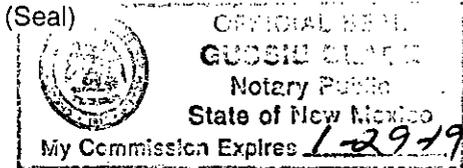
Publisher

Sworn and subscribed to before me this
6th day of August 2015.



Business Manager

My commission expires
January 29, 2019



LEGAL NOTICE
August 6, 2015

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Okerlund SWD #1). The well will be located 1470' FSL and 1555' FEL, in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be located approximately 40 miles southwest of Hobbs, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,000' and 16,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.
#30239

02105581

00160845

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

MARK LARSON
LARSON AND ASSOCIATES
507 NORTH MARIENFELD SUITE 202
MIDLAND, TX 79701

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Total Postage & Fees	\$ 13.30

Postmark: MIDLAND TX VILLAGE STATION 79701

Sent To: OXY Y-I Co.
 Street Apt. No. or PO Box No.: P.O. Box 27570
 City, State, ZIP+4: Houston, TX 77222

PS Form 3811, August 2004

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Postage	\$ 8.85
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Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 15.10

Postmark: MIDLAND TX VILLAGE STATION 79701

Sent To: 2960 Lake Brass (2 copies)
 Street Apt. No. or PO Box No.: 3 Waterway Sq. Dr. Ste 110
 City, State, ZIP+4: The Woodlands, TX 77380

PS Form 3811, August 2004

SENDER COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 OXY Y-I Company
 P.O. Box 27570
 Houston, TX 77222

2. Article Number (Transfer from service label): 7009 3410 0000 0953 0724

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): [Signature] C. Date of Delivery: [Signature]

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: [Signature]

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

PS Form 3811, February 2004 Domestic Return Receipt 102565-02-14-1540

SENDER COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 2960 Environmental Solutions, Inc.
 Attn: Luke Brass
 3 Waterway Square Dr. Ste 110
 The Woodlands, TX 77380

2. Article Number (Transfer from service label): 7009 3410 0000 0956 3181

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): [Signature] C. Date of Delivery: [Signature]

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: [Signature]

3. Service Type:
 Certified Mail Priority Mail Express
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes No

PS Form 3811, July 2018 Domestic Return Receipt

UNDELIVERED

7009 3410 0000 0955 3051

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Postage	\$4.05
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$10.30

Sent to: **Conoco Phillips Co.**
600 N. Dairy Ashford
Houston, TX 77079

Postmark: Houston TX 01/29/04

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:
Conoco Phillips Co.
600 N. Dairy Ashford
Houston, TX 77079

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3051**

PS Form 3811, February 2004 Domestic Return Receipt 10299-02-00-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): **D. Okonko** C. Date of Delivery: **2/1/04**

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: Yes No

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7009 3410 0000 0955 3066

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OFFICIAL USE

Postage	\$5.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Sent to: **Yates Petroleum Corp.**
105 S. 4th St
Ardmore, NM 88210

Postmark: Ardmore NM 01/25/04

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:
Yates Petroleum Corp.
105 S. 4th St.
Ardmore, NM 88210

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3066**

PS Form 3811, February 2004 Domestic Return Receipt 10299-02-00-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): **Yates Petroleum** C. Date of Delivery: **2/3/04**

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: Yes No

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7009 3410 0000 0953 0702

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Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Sent to: **Abco Petroleum**
105 S. 4th
Ardmore, NM 88210

Postmark: Ardmore NM 01/25/04

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:
Abco Petroleum Corp.
105 S. 4th Street
Ardmore, NM 88210

2. Article Number (Transfer from service label): **7009 3410 0000 0953 0755**

PS Form 3811, February 2004 Domestic Return Receipt 10299-02-00-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): **Steinman** C. Date of Delivery: **2/3/04**

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: Yes No

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7009 3410 0000 0955 3099

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Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Sent to: **Bill Carter, Abco Meadco Prop., LTD**
P.O. Box 2236
Midland, TX 79702-2236

Postmark: Midland TX 01/29/04

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:
Bill Carter, Abco Meadco Prop., LTD
P.O. Box 2236
Midland, TX 79702-2236

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3099**

PS Form 3811, February 2004 Domestic Return Receipt 10299-02-00-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): **Bill Carter** C. Date of Delivery: **2/1/04**

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: Yes No

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

DELIVERED

7009 3410 0000 0955 3075

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Postage	\$ 7.05
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$13.30

Postmark Here

Sent To: **Knady Land Minerals Co.**
 210 Park Ave Ste. 900
 Oklahoma City, OK 73102

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to: 15-0126-00
Knady Land Minerals Co.
 210 Park Ave Ste. 900
 Oklahoma City, OK 73102

2. Article Number (Transfer from service label) **7009 3410 0000 0955 3075**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-00-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): *[Signature]* Return Receipt for Merchandise

C. Date of Delivery: *[Signature]* Yes No

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type: Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7009 3410 0000 0955 3044

U.S. Postal Service
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OFFICIAL USE

Postage	\$ 5.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Postmark Here

Sent To: **Sharbros Energy, LLC**
 P.O. Box 840
 Artesia, NM 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to: 15-0126-00
Sharbros Energy, LLC
 P.O. Box 840
 Artesia, NM 88210

2. Article Number (Transfer from service label) **7009 3410 0000 0955 3044**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-00-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Agent Addressee

B. Received by (Printed Name): *[Signature]* Return Receipt for Merchandise

C. Date of Delivery: *[Signature]* Yes No

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type: Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7009 3410 0000 0955 3020

U.S. Postal Service
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OFFICIAL USE

Postage	\$5.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Postmark Here
JUL 10 2013

Send to:
Muco Industries
105 S. 4th St.
Artesia, NM 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to: 15-D126-DD
Muco Industries, Inc
105 S. 4th St
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): [Signature] C. Date of Delivery: 8-3-13

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: 7009 3410 0000 0955 3020
(Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 12295-02-00-1540

7007 2560 0002 4787 2050

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

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

OFFICIAL USE

Postage	\$5.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Postmark Here
JUL 10 2013

Send to:
Maxey Brown, NM OGD Dist 1
1625 N. French Dr.
Hobbs, NM 88240

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to: 15-0126-00
Mr. Maxey Brown
NM OGD District 1
1625 N. French Drive
Hobbs, NM 88240

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): [Signature] C. Date of Delivery: 8-3-13

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type:
 Certified Mail Priority Mail Express
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: 7007 2560 0002 4787 2050
(Transfer from service label)

PS Form 3811, July 2013 Domestic Return Receipt

7009 3410 0000 0953 0746

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

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

OFFICIAL USE

Postage	\$7.05
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$13.30

Postmark Here
JUL 10 2013

Send to:
Phillip Metz, NM OGD
1220 So. St. Francis Dr.
Santa Fe, NM 87505

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to: 15-0126-00
Mr. Phillip Metz
Engineering & Geological Svcs.
NM OGD
1220 So. St. Francis Drive
Santa Fe, NM 87505

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): [Signature] C. Date of Delivery: AUG 03 2013

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: 7009 3410 0000 0953 0746
(Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 12295-02-00-1540

7009 3410 0000 0953 0731

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

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

OFFICIAL USE

Postage	\$5.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Postmark Here
JUL 10 2013

Send to:
U.S. BLM - Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to: 15-D126-00
U.S. Bureau of Land Management
Carlsbad Field Office
620 E. Greene St
Carlsbad, NM 88220

COMPLETE THIS SECTION ON DELIVERY

A. Signature: [Signature] Agent Addressee

B. Received by (Printed Name): [Signature] C. Date of Delivery: 8-3-13

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type:
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: 7009 3410 0000 0953 0731
(Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 12295-02-00-1540

SENDER: COMPLETE THIS SECTION

■ Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to: 15-DZL-00 Permit
 Hayes Sand, LP
 3300 N. A St #1-220
 Midland, TX 79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express®
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number: 7009 3410 0000 0955 3082
 (Transfer from service label)

PS Form 3811, July 2013 Domestic Return Receipt



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Tracking Number: 7009341000009553082

Product & Tracking Information

DATE & TIME	STATUS OF ITEM	LOCATION
August 3, 2015, 11:38 am	Notice Left (No Authorized Recipient Available)	ROUND ROCK, TX 78664
August 2, 2015, 1:03 am	Departed USPS Facility	AUSTIN, TX 78710
August 1, 2015, 1:38 pm	Arrived at USPS Facility	AUSTIN, TX 78710
July 31, 2015, 4:24 am	Departed USPS Facility	MIDLAND, TX 79711
July 30, 2015, 9:37 pm	Arrived at USPS Facility	MIDLAND, TX 78711

Available Actions

Text Updates
 Email Updates

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

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

OFFICIAL USE

Postage	\$6.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.60

Postmark: AUG 18 2015 MIDLAND TX 79705

Ship to: **Raja Energy Corp**
 Street, Apt. No. or PO Box No. **508 Creek Ridge Dr**
 City, State, ZIP+4® **Round Rock, TX 78664**

US Form 3800, August 2013

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7009 3410 0000 0955 3082

US Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$5.95
Certified Fee	3.45
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$12.20

Ship to: **Hayes Sand, LP**
 Street, Apt. No. or PO Box No. **3300 N. A St #1-220**
 City, State, ZIP+4® **Midland, TX 79705**

LAISON & ASSOCIATES, INC.
 Environmental Consultants
 607 North Main Street, Suite 205
 Midland, Texas 79701

Hayes Sand, LP
 3300 N. A St #1-220
 Midland, TX 79705

RETURN TO SENDER
 IF ADDRESSEE NOT KNOWN
 RETURN TO SENDER
 IF UNDELIVERABLE

08/06/15

ANK

McMillan, Michael, EMNRD

From: Rutley, James <jrutley@blm.gov>
Sent: Thursday, August 27, 2015 4:55 PM
To: McMillan, Michael, EMNRD
Subject: Re: Okerlund SWD Well No. 1

Thank you

Jim

James S. Rutley
Geologist
Carlsbad Field Office
Bureau of Land Management
(575) 234-5904

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On Thu, Aug 27, 2015 at 4:53 PM, McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us> wrote:

1470 FSL

From: Rutley, James [mailto:jrutley@blm.gov]
Sent: Thursday, August 27, 2015 4:51 PM
To: McMillan, Michael, EMNRD
Subject: Re: Okerlund SWD Well No. 1

Good Afternoon Michael,

Because the Okerlund SWD 1 is on the proposed drill island, Intrepid has given concurrence to approve the APD. I was on the onsite for this particular well. What is the footage call from the southern section line? I may have to modify the southern line of drill island to absorb that footage. I'm finalizing the drill island map to release to industry, potash, and you tomorrow.

Thanks

Jim

James S. Rutley

Geologist

Carlsbad Field Office

Bureau of Land Management

(575) 234-5904

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On Thu, Aug 27, 2015 at 3:26 PM, McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us> wrote:

Jim:

I was wondering if a life of mine reserve would be need for the Okerlund SWD well No. 1. Located in Section 7 R21S R32E, Lea Co. 14107 feet from the South, and 1555 feet from the East line of the Section. The well appears to be in an approved drilling island.

I just want to make sure that there would be no problems with potash if the well were approved by the OCD.

Thank You

McMillan, Michael, EMNRD

From: Mark Larson <Mark@laenvironmental.com>
Sent: Friday, August 28, 2015 8:30 AM
To: McMillan, Michael, EMNRD
Cc: Luke Bross
Subject: FW: Okerlund SWD Well No. 1

Yes! The well will be an open hole completions.

From: Luke Bross [mailto:LukeB@R360es.com]
Sent: Friday, August 28, 2015 9:28 AM
To: McMillan, Michael, EMNRD
Cc: Mark Larson
Subject: RE: Okerlund SWD Well No. 1

Mike,

I believe so.

Mark, can you confirm whether these will be open hole or not?

-Luke

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Friday, August 28, 2015 9:19 AM
To: Luke Bross
Subject: RE: Okerlund SWD Well No. 1

I just want to make sure that this well will be open-hole completion.
This is the last thing I need before I submit to the director
Mike

From: McMillan, Michael, EMNRD
Sent: Tuesday, August 04, 2015 11:16 AM
To: 'lukeb@r360es.com'
Subject: Okerlund SWD Well No. 1

Mr. Bross:

I received your application yesterday

I need the following information:

- Administrative application checklist
- Return receipt for all affected parties
- Notarized proof of publication in the newspaper in the county where the proposed well is located.

Thank You