

PKRVO208731013

SWD

4/11/02

MAR 27 2002

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

FORM C-108 Revised 4-1-98

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance
☒ Disposal _____ Storage
Application qualifies for administrative approval? ☒ Yes _____ No
- II. OPERATOR: _____
DKD, L. L. C.
- ADDRESS: _____
P. O. Box 682 Tatum, NM 88267
- CONTACT PARTY: _____
Danny R. Watson _____ PHONE: (505) 398-3490
- 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: Eddie W Seay Agent TITLE:

SIGNATURE: Eddie W Seay 2/28/02 DATE:

- * 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: when drilled

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

30-025-02706	STATE C #003	993S	2131E	O	1	16S	35E	CHARLES B GILLESPIE JR	4136	4687	0	PLUGGED & ABANDONED	1994-06-01	0	0	0	0	0	0
30-025-03728	SNYDER B #001	3656N	660E	A	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928	27807	59847	WOLFCAMP	TOWNSEND PERM O UPPER PENN	9999-12-31	0	0	2224	395	1023
30-025-03730	SNYDER C #001	2336N	660E	A	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928	27808	59847	WOLFCAMP	TOWNSEND PERM O UPPER PENN	9999-12-31	12033	2287	4170	14380	2977
30-025-34282	WEST LOVINGTON STRAWN UNIT #016	510N	990E	A	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928	27820	40875	ATOKA	LOVINGTON STRA WN. WEST	9999-12-31	105504	10616	0	3703	533
30-025-03729	SNYDER B #002	3656N	2310E	B	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928 10653-10671	27807	59847	WOLFCAMP	TOWNSEND PERM O UPPER PENN	9999-12-31	14989	2898	4728	16536	3226
30-025-03732	SNYDER E #001	1016N	1980E	B	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928	27809	59847	WOLFCAMP	TOWNSEND PERM O UPPER PENN	9999-12-31	6644	359	56	5312	234
30-025-33219	WEST LOVINGTON STRAWN UNIT #015	1346N	1980E	B	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928	27820	40875	STRAWN	LOVINGTON STRA WN. WEST	9999-12-31	19117	12625	0	27617	10640
30-025-03731	SNYDER D #001	2336N	1916W	C	6	16S	36E	CHARLES B GILLESPIE JR	4136	4682	0	WOLFCAMP	1993-09-22	0	0	0	0	0	
30-025-03737	STATE T #004	4620S	1885W	C	6	16S	36E	PRONGHORN MANAGEMENT CORP	122811 10607-10664	14991	0	WOLFCAMP	9999-12-31	0	0	0	0	0	
30-025-03735	STATE T #002	4290S	500W	D	6	16S	36E	PRONGHORN MANAGEMENT CORP	122811 10583-10647	14991	0	WOLFCAMP	9999-12-31	0	0	0	0	0	
30-025-03736	STATE T #003	3300S	1551W	F	6	16S	36E	PRONGHORN MANAGEMENT CORP	122811 10650-10700	14991	0	WOLFCAMP	9999-12-31	0	0	0	0	0	
30-025-27702	SNYDER C #002	2236N	1980E	G	6	16S	36E	CHARLES B GILLESPIE JR	4136	4681	0	PLUGGED & ABANDONED	1993-09-16	0	0	0	0	0	
30-025-33934	LITTLE G #001	2065S	2038W	K	6	16S	36E	CHESAPEAKE OPERATING, INC.	147179	20764	96649	STRAWN	SHOE BAR STRAWN, NORTHEAST	9999-12-31	29939	19059	35301	31707	20958
30-025-03727	SNYDER A #001	2319S	330W	L	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928 11458-11523	27805	0	WOLFCAMP	9999-12-31	0	0	0	0	0	
30-025-03734	STATE T #001	2970S	330W	M	6	16S	36E	PRONGHORN MANAGEMENT CORP	122811 10692-10692	14991	0	WOLFCAMP	9999-12-31	0	0	0	0	0	
30-025-34433	WATSON G #001	2857S	1417W	N	6	16S	36E	CHESAPEAKE OPERATING, INC	147179 10650-10710	21706	0	STRAWN	SHOE BAR STRAWN, NORTHEAST	9999-12-31	0	0	0	0	0
30-025-34073	SNYDER A COM #001	990S	874W	U	6	16S	36E	ENERGEN RESOURCES CORPORATION	162928 10340-11062 SWP Zone	27806	96649	ATOKA	9999-12-31	12972	7175	18421	11803	7003	13549

API	Well Name	NS Fig	EW Fig	UL	Sec	Tsp	Rge	Operator	OGRID Cde	Prop Nbr	Pool IDN	Formation/ Notes	Active Zone 2001	Plug Date	Gas2000	Oil2000	Water2000	Gas2001	Oil2001	Water2001
30-025-02708	STATE B #003	4290S	160E	A	1	16S	35E	CHARLES B GILLESPIE JR	4136	4686	0	WOLFCAMP		993-08-27	0	0	0	0	0	0
									10554-10629											
30-025-31831	WEST LOVINGTON STRAWN UNIT #006	990N	660E	A	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27820	0	STRAWN		9999-12-31	7509	632	0	0	0	0
30-025-02709	STATE B #004	4610S	2301E	B	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27821	59847	WOLFCAMP	TOWNSEND/PERM O UPPER PENN	9999-12-31	1065	173	38	165	65	0
30-025-31830	WEST LOVINGTON STRAWN UNIT #005	990N	1980E	B	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27820	40875	STRAWN	LOVINGTON/STRA WN, WEST	9999-12-31	5108	225	0	0	25	0
30-025-02716	STATE D #007	4290S	2310W	C	1	16S	35E	CHARLES B GILLESPIE JR	4136	4688	0	WOLFCAMP		1993-09-13	0	0	0	0	0	0
30-025-31646	WEST LOVINGTON STRAWN UNIT #007	660N	2310W	C	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27820	40875	STRAWN / CONVERTED TO WVN, WEST WIV	LOVINGTON/STRA WN, WEST	9999-12-31	0	0	0	0	0	0
30-025-02715	STATE D #006	2970S	2300W	F	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27811	59847	WOLFCAMP	TOWNSEND/PERM O UPPER PENN	9999-12-31	2504	1216	858	1658	1888	1469
30-025-08508	STATE B #002	3690S	2200E	G	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27821	59847	WOLFCAMP	TOWNSEND/PERM O UPPER PENN	9999-12-31	0	0	0	0	269	0
30-025-02707	STATE B #001	3300S	985E	H	1	16S	35E	CHARLES B GILLESPIE JR	4136	4686	0	WOLFCAMP		993-08-31	0	0	0	0	0	0
									10588-10614											
30-025-02705	STATE C #002	2340S	910E	I	1	16S	35E	CHARLES B GILLESPIE JR	4136	4687	0	WOLFCAMP		9993-09-07	0	0	0	0	0	0
									10600-10643											
30-025-02704	STATE C #001	2310S	2140E	J	1	16S	35E	CHARLES B GILLESPIE JR	4136	4687	0	PLUGGED & ABANDONED		1994-10-10	0	0	0	0	0	0
30-025-02714	STATE D #005	1980S	2301W	K	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27811	59847	WOLFCAMP	TOWNSEND/PERM O UPPER PENN	9999-12-31	4203	2209	5484	5362	4024	7455
30-025-02711	STATE D #002	1980S	330W	L	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27811	59847	WOLFCAMP	TOWNSEND/PERM O UPPER PENN	9999-12-31	2032	961	456	1351	924	806
30-025-33606	STATE D #008	3990N	330W	L	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27811	96690	STRAWN	BIG DOG/STRAWN, SOUTH	9999-12-31	30881	3505	0	15937	2183	145
30-025-02710	STATE D #001	990S	330W	M	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27811	59847	WOLFCAMP	TOWNSEND/PERM O UPPER PENN	9999-12-31	3160	1558	1023	1644	1691	956
30-025-02712	STATE D #003	3000S	330W	M	1	16S	35E	ENERGEN RESOURCES CORPORATION	162928	27811	96113		SWD,PENN	9999-12-31	0	0	0	0	0	0
30-025-34683	STATE D #009	330S	330W	M	1	16S	35E	CHARLES B GILLESPIE JR	4136	4688	0	PLUGGED & ABANDONED 11/01/99		1999-11-01	0	0	0	0	0	0
30-025-02713	STATE D #004	990S	1650W	N	1	16S	35E	CHARLES B GILLESPIE JR	4136	4688	0	WOLFCAMP		1993-09-30	0	0	0	0	0	0

New Mexico Office of the State Engineer
Water Right Summary

Back

DB File Nbr: L 03104

Primary Purpose: PRO 72-12-1 PROSPECTING OR DEVELOPMENT OF NATURAL RESOURCE

Primary Status: PMT Permit

Total Acres:

Total Diversion: 3

Owner: WARREN & BRADSHAW EXPLORATION

Documents on File

Doc	File/Act	Status	1	2	3	Trans_Desc	From/To	Acres	Diversion	Consumptive
72121	03/07/1956	PMT LOG ABS	L	03104			T			3

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

(qtr are biggest to smallest

Source Tws Rng Sec q q q

Shallow 16S 36E 06 1

Shallow 16S 36E 06 1

Point of Diversion

POD Number

L 03104

L 03104 APPRO

X Y are in Feet

Zone

X

UTM are in Meters)

UTM Zone

13

Easting

649763

Northing

3647199

Latitude

32 57

3.62

Lo

103 2

32 57

3.62

103 2

L	10628	DOM	3	LITTLE BILLY E AND MARSHA R	L	10628	Shallow	16S	36E	06	3	4	4
L	10657	PRO	0	CHESAPEAKE OPERATING	L	10657	Shallow	16S	36E	06	3	2	2
L	10705	PRO	0	CHARLES B JR GILLESPIE	L	10705		16S	36E	06	3	1	
L	10733	PRO	0	PATTERSON DRILLING COMPANY	L	10657	Shallow	16S	36E	06	3	2	2
L	10752	PRO	0	GILLESPIE OIL COMPANY	L	10752		16S	36E	06	3	1	1
L	11149	DOM	3	CARROLL W. BELLAH	L	11149	Shallow	16S	36E	06	1	3	

Record Count: 25

Casing and Cementing Records

	Surface	Production
Hole Size, in	12-1/4	7-7/8
Total Depth, ft	241	10704
Casing Size, in	8-5/8	5-1/2
Weight, ppf	24	17
Grade	K-55	K-55
Collar Type	ST&C	LT&C
Setting Depth, ft (kb)	233	10704
PBTD, ft (kb)		10640
CIBP? 1=yes, 0=No		0
Circ Cement, Sx	12	0
Calcd Cmt Top, Ft (kb)	0	9,506

Lead Cement

Sacks	120	200
Type or Class	Type III	Class C
Gel, pct		2
Weight, ppg	14.8	14.1
Yield, cf/sk	1.32	1.35
CaCl ₂ , pct	2	
Celloflake, lb/sk	1/4	
Gilsonite, lb/sk		6-1/4
FL-52, pct		0.3
Other additive		0.02% CD32

Tail Cement

Sacks		
Type or Class		
Gel, pct		
Weight, ppg		
Yield, cf/sk		
CaCl ₂ , pct		
Celloflake, lb/sk		
Gilsonite, lb/sk		
FL-52, pct		
Other additive		

Cement Fillup Calculation

Efficiency, pct	30	80
Annulus Volume, ft ³	91	1,352
Lead ready?	1	1
Bottom ready?	0	0
Proceed?	1	1
Lead Cement, ft ³	158	270
Tail Cement, ft ³	Missing Data	Missing Data
Annulus Cement, ft ³	148	269
Calcd Cmt Top, Ft (kb)	0	9,506
Format for Cmt Top	0	9,506
Integers in Cmt Top	1	1

~~Lead Cement~~

Click to calc.

Erase it

Surface

8-5/8", 24#, K-55, ST&C, set @ 233' KB.

12-1/4" Hole.

Cmt w/ 120 sx, Type III 14.8 ppg, 1.32 cu.ft/sx,
2% CaCl₂, 1/4 lb/sx CF.

Circ. 12 sx cmt to pit.

Production

5-1/2", 17#, K-55, LT&C, set @ 10,704' KB.

7-7/8" Hole.

Cmt w/ 200 sx, Class C, 2% gel, 14.1 ppg, 1.35 cu.ft/sx
, 6-1/4 lb/sx gilsonite, 0.3% FL-52 0.02% CD32.

Cement top calcd (80% fillup) @ 9,506' KB.

CMT TOP CALCD

DKD, L. L. C.
Application for Disposal
Watson 1-6

Well	Type	Date Drilled	Location	Depth	Record of Completion	Zone	Status
State 1T	Oil	Aug-57	2970 FSL/330 FWL 6-16S-36E	10,746	perf 10,650'-10,710'	Wolf	In-active ✓ <i>Perf F 100'</i>
State 2T	Oil	Nov-57	4290 FSL/550 FWL 6-16S-36E	10,692	perf 10,583'-10,647'	Wolf	In-active ✓ <i>Perf F 100'</i>
State 3T	Oil	Apr-58	3300 FSL/1551 FWL 6-16S-36E	10,737	perf 10,650'-10,700'	Wolf	In-active ✓ <i>Perf F 100'</i>
State 4T	Oil	Aug-58	4620 FSL/1885 FWL 6-16S-36E	10,728	perf 10,607'-10,664'	Wolf	In-active ✓ <i>Perf F 100'</i>
State B3	Oil	Apr-57	4290 FSL/160 FEL 1-16S-35E	10,706	perf 10,554'-10,629'	Wolf	In-active ✓ <i>Perf F 100'</i>
Snyder 2B	Oil	May-58	3656 FNL/2310 FEL 6-16S-36E	10,703	perf 10,653'-10,671'	Wolf	Active ✓ <i>Perf F 100'</i>
State B1	Oil	Sep-56	3300 FSL/975 FEL 1-16S-35E	10,700	perf 10,568'-10,614'	Wolf	In-active ✓ <i>Perf F 100'</i>
State C2	Oil	Nov-56	2340 FSL/910 FEL 1-16S-35E	10,695	perf 10,600'-10,643'	Wolf	In-active ✓ <i>Perf F 100'</i>
Snyder 1A	Oil	May-57	2319 FSL/330 FWL 6-16S-36E	10,714	perf 10,652'-10,692'	Wolf	In-active ✓ <i>Perf F 100'</i>
Snyder A Comm	Oil	Mar-98	990 FSL/874 FWL 6-16S-36E	11,745	perf 11,452'-11,477'	Strawn	Active ✓ <i>Perf F 100'</i>
Little 1-6	Oil	Jul-97	2065 FSL/2038 FWL 6-16S-36E	11,860	perf 11,456'-11,523'	Strawn	Active ✓ <i>Perf F 100'</i>

W. Brown
State 1-6
NE

WELL DATA

Energen Resources Corp., Snyder A Comm #1 U, Sect. 6

Drilled 1998 as an oil well in the Strawn, active producer

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/2"	13 3/8"	398'	440 sx	circ.
11"	8 5/8"	4762'	1110 sx	circ.
7 7/8"	5 1/2"	11,745'	650 sx	calc. TOC 2100'

Strawn

Energen Resources Corp., Snyder B #2 J, Sect. 6

Drilled 1958 as an oil well in the Wolfcamp, active producer

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/2"	13 3/8"	363'	275 sx	circ.
11"	8 5/8"	4724'	2050 sx	circ.
7 7/8"	5 1/2" liner	4551'/10,703'	300 sx	calc. TOC 6200'

*Townsend
Bemo
Wolfcamp*

Energen Resources Corp., Snyder A #1-T, Sect. 6

Drilled 1957 as an oil well in the Wolfcamp, well inactive.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/2"	13 3/8"	369'	275 sx	circ.
12 1/4"	8 5/8"	4715'	2050 sx	circ.
7 7/8"	5 1/2" liner	4536'/10,719'	300 sx	calc. TOC 6200'

Chesapeake Operating, Inc., Little 6 #1 K, Sect. 6

Drilled 1997 as an oil well in the Strawn, active producer.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/2"	13 3/8"	489'	495 sx	circ.
11"	8 5/8"	4100'	2227 sx	circ.
7 7/8"	5 1/2"	11,853'	2055 sx	circ.

Strawn

Charles B. Gillespie, Jr., State B #1-P, Sect. 1

Drilled 1956 as an oil well in the Wolfcamp, well P & A 1995.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>
17 1/4"	13 3/8"	365'	350 sx
11"	8 5/8"	4701'	1850 sx
7 7/8"	5 1/2" liner	4527'/10,677'	200 sx

Well bore schematic of P & A attached.

TOC 9823'

Charles B. Gillespie, Jr., State C #2 Q, Sect. 1

Drilled 1956 as an oil well in the Wolfcamp, well P & A 1995.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>
17 1/2"	13 3/8"	366'	250 sx
11"	8 5/8"	4697'	2050 sx
7 3/4"	5 1/2" liner	4520'/10,694'	200 sx

Well bore schematic of P & A attached.

9840' TOC

Charles B. Gillespie, Jr., State B #3 I, Sect. 1

Drilled 1957 as an oil well in the Wolfcamp, well P & A 1995.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>
17 1/2"	13 3/8"	375'	275 sx
11"	8 5/8"	4714'	2050 sx
7 7/8"	5 1/2" liner	4548'/10,704'	200 sx

Well bore schematic of P & A attached.

circ.

circ.

calc. TOC 7000'

9250' TOC

Pronghorn Management Corp., State T #1-M, Sect. 6

Drilled 1957 as an oil producer in the Wolfcamp, well inactive.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>
17 1/4"	13 3/8"	361'	375 sx
12 1/4"	8 5/8"	4748'	1240 sx
7 7/8"	5 1/2"	10,745'	300 sx

P & A filed on this well, approval attached.

TOC 25' filled w/cement

circ.

TOC 9445' = 57' - 2' 10" = 55' 10"

57' - 2' 10" = 55' 10"

Pronghorn Management Corp., State T #2-L, Sect. 6
Drilled 1957 as a producer in the Wolfcamp, well inactive.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/4"	13 3/8"	371'	400 sx	circ.
12 1/4"	8 5/8"	4749'	1352 sx	TOC 625'
7 7/8"	5 1/2"	10,679'	300 sx	TOC 9762'

P & A filed on this well, approval attached.

Pronghorn Management Corp., State T #3-N, Sect. 6
Drilled 1958 as an oil producer in the Wolfcamp, well inactive.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/4"	13 3/8"	376'	400 sx	circ.
12 1/4"	8 5/8"	4704'	1682 sx	circ.
7 7/8"	5 1/2"	10,736'	300 sx	TOC 9535'

P & A filed on this well.

Pronghorn Management Corp., State T #4-K, Sect. 6
Drilled 1958 as an oil well in the Wolfcamp, well is inactive.

<u>HOLE</u>	<u>CSG</u>	<u>DEPTH</u>	<u>CEMENT</u>	
17 1/4"	13 3/8"	376'	425 sx	circ.
12 1/4"	8 5/8"	4749'	1051 sx	TOC 605'
7 7/8"	5 1/2"	10,727'	300 sx	TOC 9620'

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-02705
5. Indicate Type of Lease	STATE ☒ FEE ☐
6. State Oil & Gas Lease No.	E-9117
7. Lease Name or Unit Agreement Name	
State C	
8. Well No.	2
9. Pool name or Wildcat	Townsend Perm. & Upper Penn
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	
3968 GR	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:	OIL WELL ☒ GAS WELL ☐ OTHER ☐
2. Name of Operator	Charles B Gillespie, Jr.
3. Address of Operator	P.O. Box 8 Midland, Tx. 79702
4. Well Location	Unit Letter Q : 2340 Feet From The South Line and 910 Feet From The East Line Section 1 Township 16-S Range 35-E NMPM Lea N.M. County
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	
3968 GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
OTHER: ☐	PLUG AND ABANDONMENT ☒
	CASING TEST AND CEMENT JOB ☐
	OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- (1) Set 5½ CIBP @ 10,500 cap w/4 sacks cement
- (2) Load hole w/mud
- (3) Spot 25 sack cement plug @ 7500'
- (4) Spot 50 sack cement plug @ 4747 8 5/8 shoe to cover 8 5/8 shoe & 5½ liner top
W.O.C. tag plug @ 4468'
- (5) Cut & pull 8 5/8 casing @ 610
- (6) Spot 55 sack cement plug @ 8 5/8 stub W.O.C. tag plug @ 558'
- (7) Spot 80 sack cement plug @ 13 3/8 shoe 386' W.O.C. tag plug @ 285'
- (8) Spot 15 sacks cement plug @ surf, set P&A marker 9/7/1993

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Raymond Maldonado TITLE Supervisor DATE _____
TYPE OR PRINT NAME _____ TELEPHONE NO. _____

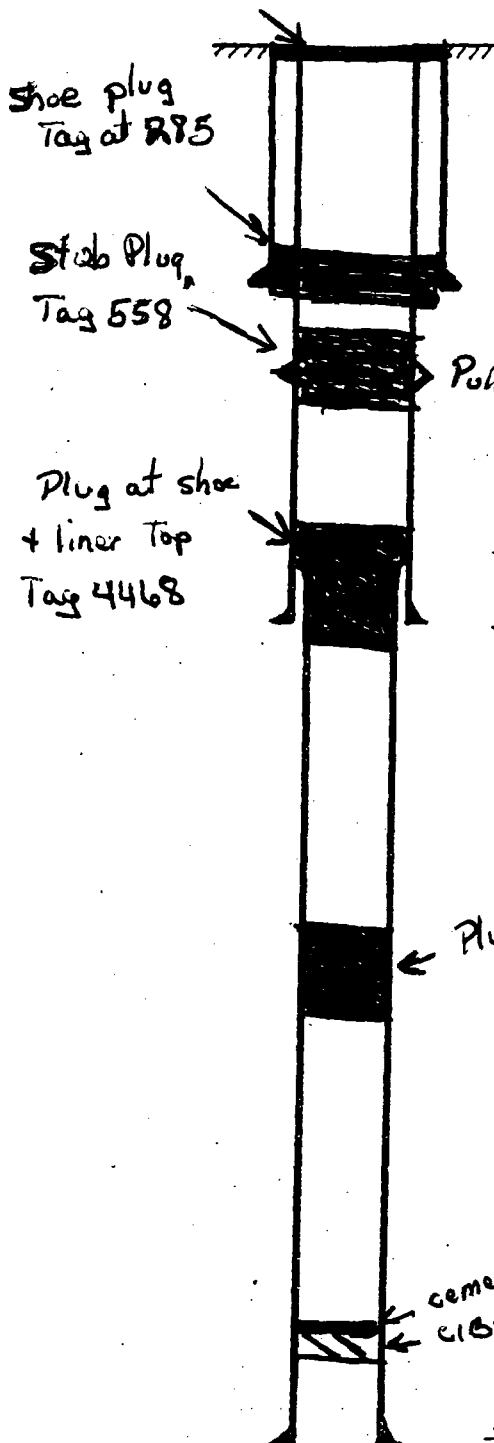
(This space for State Use)

OIL & GAS INSPECTOR

JAN 06 1995

OPERATOR	Charles B. Gillespie Jr.		DATE	P+A 1995
LEASE	State C	WELL No.	LOCATION Q-1-16-35	
		1		

surface plug



$13\frac{3}{8}$ casing set at 366 with 250 sx of C cement
Hole size $17\frac{1}{2}$ " Circ

Pol Gg 6/10

4520' Liner top

$8\frac{5}{8}$ " casing set at 4697' with 2050 sx of C cement
Hole size 11"

Hole loaded with mud

$5\frac{1}{2}$ " liner set at 10694' with 200 sx of
C cement. Total depth 10694' Hole size $7\frac{3}{4}$

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-02708
5. Indicate Type of Lease	STATE ☒ FEE ☐
6. State Oil & Gas Lease No.	E-9116
7. Lease Name or Unit Agreement Name	
State B	
8. Well No.	3
9. Pool name or Wildcat Townsend Perm. / Upper Penn	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER ☐	
2. Name of Operator Charles B Gillespie, Jr.	
3. Address of Operator P.O. Box 8 Midland, Texas 79702	
4. Well Location Unit Letter I : 4290 Feet From The South Line and 160 Feet From The East Line Section 1 Township 16-S Range 35-E NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3964 GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
FORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
OTHER: ☐	PLUG AND ABANDONMENT ☒
	CASING TEST AND CEMENT JOB ☐
	OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
- (1) Set 5½ CIBP @ 10,200' cap w/4 sacks cement
 - (2) Load hole w/mud
 - (3) Spot 25 sacks cement plug @ 7500'
 - (4) Spot 50 sacks cement @ 4764 to cover the 8 5/8 shoe & 5½ liner top W.O.C. tag plug @ 4490
 - (5) Spot 35 sacks cement plug @ 426'
 - (6) Spot 15 sacks cement @ surf. Set P&A marker 8-27-1993

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SURE Raymond Maldonado TITLE Supervisor DATE _____

TYPE OR PRINT NAME TELEPHONE NO.

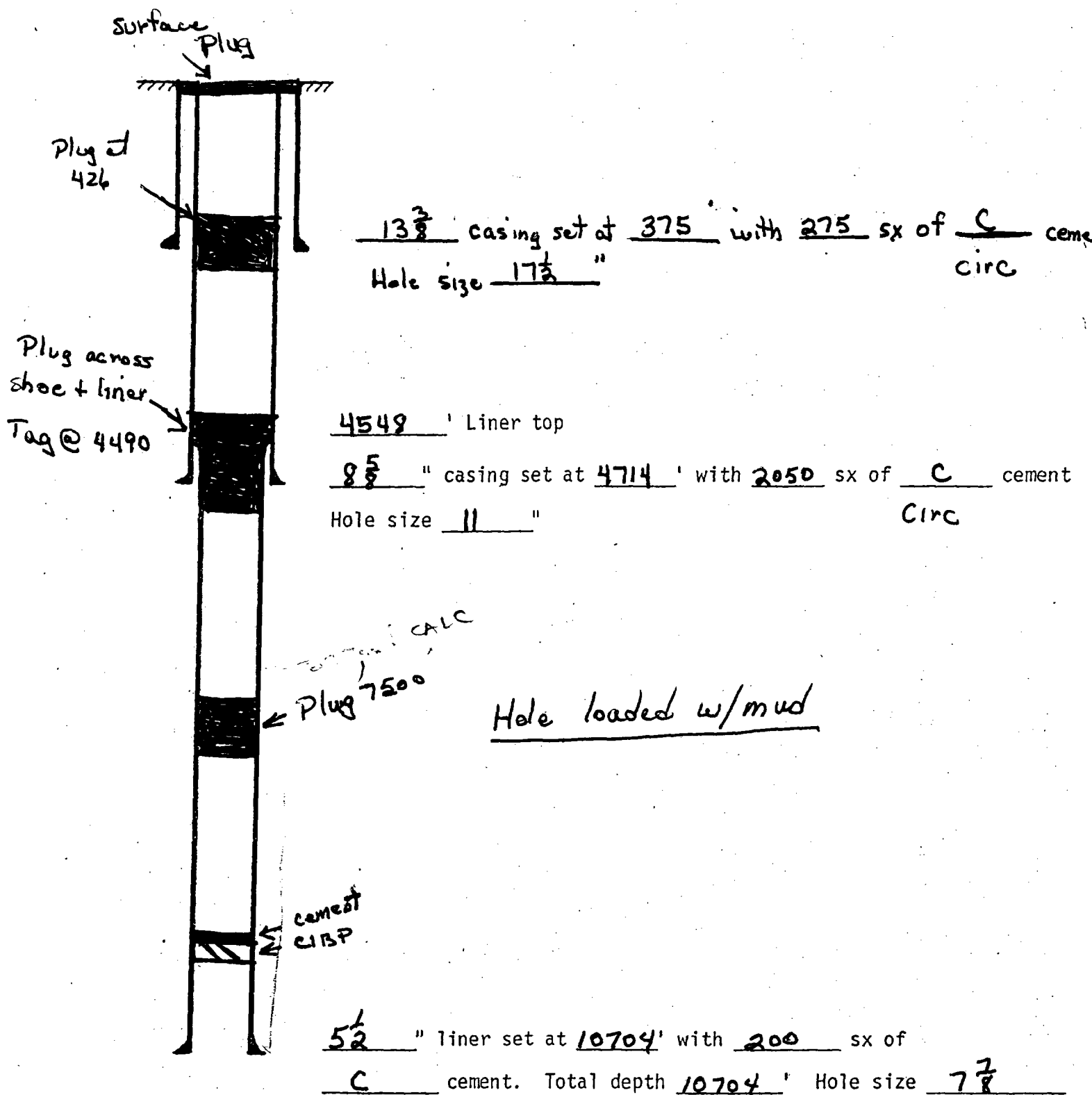
(This space for State Use)

APPROVED BY Carly W. Hill TITLE _____ DATE _____

OIL & GAS INSPECTOR JAN 06 1995

(A11)

OPERATOR Charles B. Gillespie Jr.		DATE P+A 1995	
LEASE State B	WELL No. 3	LOCATION I-1-16-35	



Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

NOV 2 1993

WELL API NO. 30-025-02707

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No. E-9116

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

State B

1. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. Name of Operator

Charles B Gillespie, Jr.

8. Well No.

1

3. Address of Operator

P.O. Box 8 Midland, Tx. 79702

9. Pool name or Wildcat

Townsend Permian Upper Penn

4. Well Location

Unit Letter P : 3300 Feet From The south Line and 985 Feet From The east Line

Section 1

Township 16-S

Range 35-E

NMPM Lea N.M.

County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3967 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERMANENT REMEDIAL WORK ☐

PLUG AND ABANDON ☐

REMEDIAL WORK ☐

ALTERING CASING ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☒

PULL OR ALTER CASING ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

(1) Set 5 1/2 CIBP @ 10,350' cap w/4 sacks cement

(2) Load hole w/mud

(3) Spot 25 sacks cement plug @ 7500'

(4) spot 50 sack cement plug @ 8 3/8 shoe 4751' to cover 8 5/8 & 5 1/2 liner top

W.O.C. tag plug @ 4476'

(5) Spot 35 sack cement plug @ 414'

(6) Spot 15 sack cement at surf., set P&A marker 8/31/1993

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGN

TITLE

DATE

TYPE OR PRINT NAME

TELEPHONE NO.

This space for State Use)

APPROVED BY

TITLE

DATE

OIL & GAS INSPECTOR

JAN 06 1995

OPERATOR Charles B. Gillespie Jr.		DATE PTA 1995	
LEASE State B	WELL No. 1	LOCATION P 1-16-35	

Surface Plug

Plug 414

13 $\frac{3}{8}$ casing set at 365 with 350 sx of C cement
Hole size 17 $\frac{1}{4}$ " Circ

Plug across liner top + shoe
Tag 4476

4527 ' Liner top

8 $\frac{5}{8}$ " casing set at 4701 ' with 1850 sx of C cement
Hole size 11 " Circ

← Plug 7500'

Hole loaded w/ mud

← cement
← CIBP

5 $\frac{1}{2}$ " liner set at 10677 ' with 200 sx of
C cement. Total depth 10677 ' Hole size 7 $\frac{7}{8}$

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-03736
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. E 9335-S
7. Lease Name or Unit Agreement Name STATE " T "
8. Well No. 3
9. Pool name or Wildcat TOWNSEND PERMO UPPER PENN
10. Elevation (Show whether DP, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL ☐ GAS WELL ☐ OTHER TA
2. Name of Operator BABER WELL SERVICING CO.
3. Address of Operator P.O. BOX 1772 Hobbs NM 88240
4. Well Location Unit Letter N : 3300 Feet From The SOUTH Line and 1551 Feet From The WEST Line Section 6 Township 16-S Range 36-E NMPM LEA Country
10. Elevation (Show whether DP, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
OTHER: ☐	PLUG AND ABANDONMENT ☒
	CASING TEST AND CEMENT JOB ☐
	OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. RUN TUBING TO 9518' AND SPOT W/25 SKS AND WOC.
2. TAGGED PLUG AT 9400'
3. LOAD HOLE W/MUD
4. CUT AND LAID DOWN 4992' OF 5½ CASING
5. SPOT 25 SKS CEMENT PLUG AT 6500'
6. SPOT 140 SKS CEMENT PLUG AT 5½ STUB 5050' AND WOC
7. TAGGED PLUG AT 4927' SPOT W/60SKS CEMENT AND WOC
8. TAGGED PLUG AT 4670' SPOT W/45 SKS CEMENT AND WOC
9. TAGGED PLUG AT 4618'
10. SPOT 30 SKS CEMENT PLUG AT 2039'
11. SPOT 15 SKS CEMENT AT SURF AND SET UP P&A MARKER.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Raymond Maldonado TITLE P&A SUPERVISOR DATE 8-14-91
OR PRINT NAME RAYMOND MALDONADO TELEPHONE NO. (505)397-3502

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OPERATOR <u>Baber Well Service</u>	DATE <u>P+A 1991</u>	
LEASE <u>State T</u>	WELL No. <u>3</u>	LOCATION <u>N-6-16-36</u>

Surface
plug



13 ³/₈ " casing set at 376 ' with 400 sx of C cement
Hole size 17 ¹/₄ " circ.

← Plug at 2039

← shoe plug tag at 4618

Tag at 4927

cut cas
4992

8 ⁵/₈ " casing set at 4704 ' with 1482 sx of C cement
Hole size 12 ¹/₄ " circ

← Plug at 9518
Tag 9400

CIBP

Hole loaded with Mud

5 ¹/₂ " casing set at 10736 ' with 300 sx of C cement
Total depth 10736 ' Hole size 7 ⁷/₈ " TDC 9535

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
11 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.

30-025-03734

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
E9335-S

7. Lease Name or Unit Agreement Name:

STATE "T"

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:

Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Pronghorn Management Corporation

3. Address of Operator

P. O. Box 1772 Hobbs, NM 88241

8. Well No.

1

9. Pool name or Wildcat

Townsend Permo Upper Penn

4. Well Location

Unit Letter M : 2970 feet from the South line and 330 feet from the West line

Section 6 Township 16-S Range 36-E NMPM Lea County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3965' RKB

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Set CIBP @ $\pm 10,100'$, Cap with 35' cement
2. Circulate hole with mud laden fluid.
3. Nipple up to $5\frac{1}{2}"$ casing. Stretch, cut and pull $\pm 7000'$ csg.
4. Spot cement plug 50' in and out of stub. WOC and tag.
5. Spot 100' cement plug 4680' - 4780'. (Int. csg. shoe) WOC and Tag.
6. Spot 100' cement plug 1939' - 2039'. (Top of salt) WOC and Tag.
7. Spot 10 sx. surface plug.
8. Erect dry hole marker. Clean location.

25 SX OR 100' WHICHEVER IS GREATER
F/350' to 250' - TAG (13 $\frac{3}{8}$ SHOE)

THE COMMISSION MUST BE NOTIFIED 24
HOURS PRIOR TO THE BEGINNING OF
PLUGGING OPERATIONS FOR THE C-103
TO BE APPROVED

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE G. A. Baber TITLE Partner DATE 4/7/00

Type or print name G. A. BABER

Telephone No 505-393-9176

(This space for State use)

APPROVED BY ORIGINAL SIGNATURE TITLE DATE

Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-03735
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator Pronghorn Management Corporation		6. State Oil & Gas Lease No. E9335-S
3. Address of Operator P. O. Box 1772 Hobbs, NM 88241		7. Lease Name or Unit Agreement Name: STATE "T"
4. Well Location Unit Letter L : 4290 feet from the South line and 500 feet from the West line Section 6 Township 16-S Range 36-E NMPM Lea County		8. Well No. 2
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat Townsend Perms Upper Penn

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☒	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
ILL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

1. Set C.I.B.P. @ 10,100'. Cap with 35' cement.
2. Circulate hole with mud laden fluid.
3. Nipple up to 5 1/2" casing. Stretch, cut and pull $\pm$ 7000' casing.
4. Spot cement plug 50' in and out of stub. WOC - Tag.
5. Spot 100' cement plug 4799'-4699'. (Int. csg. shoe) WOC - Tag.
6. Spot 100' cement plug 2074'-1974'. (Top of salt) WOC - Tag.
7. Spot 10 sx. surface plug.
8. Erect dry hole marker. Clean location.

25 SX PLUG OR 100' WHICHEVER IS GREATER
F 421' to 321' - TAG

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Partner DATE 4/7/00

Type or print name G. A. BABER Telephone No. 505-393-9176
is space for State use)

APPROVED BY

Conditions of approval, if any:

THE COMMISSION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS FOR THE C-103 TO BE APPROVED

ORIGINAL SIGNED BY
GARY WINK
FIELD REP. II

DATE 4/7/00

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-03737
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. E 9335-5
7. Lease Name or Unit Agreement Name STATE "T"
8. Well No. 4
9. Pool name or Wildcat <i>Permian Upper</i> TOWNS END-WOLF CAMP <i>Penn</i>

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER ☐	2. Name of Operator BABER WELL SERVICING COMPANY	3. Address of Operator P.O. BOX 1772 HOBBS, NM 88241
4. Well Location Unit Letter <u>K</u> : <u>4620</u> Feet From The <u>South</u> Line and <u>1885</u> Feet From The <u>West</u> Line Section <u>6</u> Township <u>16-S</u> Range <u>36-E</u> NMPM LEA County		
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3958'		

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☒	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐		CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1) M.I.R.U.
- 2) Install 6" - 900 B.O.P.
- 3) Unable to unseat anchor at 10,400'.
- 4) Received permission from NMOCC to cut tbg.
- 5) Cut tbg @ 10,400'.
- 6) Tag plug @ 10,000'.
- 7) Set 35 sks plug @ 7,500'.
- 8) Tag plug @ 7,500'.
- 9) File application to make disposal well
- 10) Shut in well
- 11) Temporarily abandon well

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE G.A. Baber, Jr. TITLE CHRMN OF BOARD DATE 10/18/93

TYPE OR PRINT NAME G.A. BABER, JR. TELEPHONE NO. 392-5516

(This space for State Use)

APPROVED BY Paul Kauts TITLE Geologist DATE OCT 21 1993

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Operator PRONGHORN MANAGEMENT CORPORATION (22811)		Well API No. 30-025-03737
Address P.O. BOX 1772 HOBBS, NM 88241		
Reason(s) for Filing (Check proper box) ☒ Other (Please explain) MAY 01 1994		
New Well ☐	Change in Transporter of ☐ Oil ☐ Dry Gas ☐	OPERATOR NAME CHANGE ONLY
Recompletion ☐	Casinghead Gas ☐ Condensate ☐	
If change of operator give name and address of previous operator BABER WELL SERVICING COMPANY P.O. BOX 1772 HOBBS, NM 88241		

II. DESCRIPTION OF WELL AND LEASE

Lease Name STATE T (14991)	Well No. 4	Pool Name, Including Formation TOWNSEND PERMO UPPER PRNN	Kind of Lease ☒ State ☐ Federal or Foreign	Lease No. E-9335
Location Unit Letter K , 4620 Feet From The FSL Line and 1885 Feet From The FWL Line Section 06 Township 16S Range 36E , NMPM , LEA County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil or Condensate Texas NM Pipeline (022628)	Address (Give address to which approved copy of this form is to be sent) T/A					
Name of Authorized Transporter of Casinghead Gas or Dry Gas Warren Petroleum (0244650)	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When?

If this is a new well, give the well number with that from any other lease or pool, give commingling order number:

IV. D Date Elev Perf V. OI Dr Lc At C A T Y	OIL POD NO. 501510 GAS POD NO. 501530 O-TRNSP. OGRID NO. 022628 G-TRNSP. OGRID NO. 0244650 501530	TUBING, CASING AND CEMENTING RECORD							
		Casing & Tubing Size		Depth Set		Sacks Cement			
TEST FOR ALLOWABLE (recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)									
Date of Test		Producing Method (Flow, pump, gas lift, etc.)							
Tubing Pressure		Casing Pressure				Choke Size			
Oil - Bbls.		Water - Bbls.				Gas - MCF			
Length of Test		Bbls. Condensate/MMCF				Gravity of Condensate			
Tubing Pressure (Shut-in)		Casing Pressure (Shut-in)				Choke Size			

STATEMENT OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature **Sherry Wade**
Printed Name **SHERRY WADE** Title **PRODUCTION CLERK**
Date **3-5-94** Telephone No. **(505) 392-5516**

OIL CONSERVATION DIVISION

MAY 20 1994

Date Approved

By **Paul Kanta**

Orig. Signed by:
Paul Kanta
Geologist

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- All sections of this form must be filled out for allowable on new and recompleted wells.



PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO:

Receiving Date: 02/27/02
Reporting Date: 03/01/02
Project Number: NOT GIVEN
Project Name: WATSON 6
Project Location: LOVINGTON, NM

Sampling Date: 02/27/02
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: HM

LAB NUMBER	SAMPLE ID	P-Alkalinity (mg/L)	T-Alkalinity (mg/L)	Hardness (mg/L)	Chloride (mg/L)	Sulfates (mg/L)	pH (s.u.)
ANALYSIS DATE		02/28/02	02/28/02	02/28/02	02/28/02	02/28/02	02/28/02
H6551-1	SECT 6 MILL	0	173	240	48	80	7.51

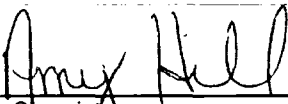
Quality Control	NR	NR	48	1040	52.66	7.08
True Value QC	NR	NR	50	1000	50.00	7.00
% Accuracy	NR	NR	96.0	104	105	101
Relative Percent Difference	NR	NR	1.2	2.0	0.6	0.1

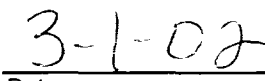
METHODS:	EPA 600/4-79-02	-	-	130.2	325.3	375.4	150.1
	Standard Method	2320 B	2320 B	-	-	-	-

LAB NUMBER	SAMPLE ID	Hydroxides (mg/L)	Carbonates (mg/L)	Bicarbonates (mg/L)	Conductivity (umhos/cm)	TDS (mg/L)
ANALYSIS DATE		02/28/02	02/28/02	02/28/02	02/28/02	02/28/02
H6551-1	SECT 6 MILL	0	0	211	621	427

Quality Control	NR	NR	975	1489	NR
True Value QC	NR	NR	1000	1413	NR
% Accuracy	NR	NR	97.5	105	NR
Relative Percent Difference	NR	NR	2.7	0.3	5.1

METHODS:	EPA 600/4-79-02	-	-	-	120.1	160.1
	Standard Method	2320 B	2320 B	2320 B	-	-


Chemist


Date

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

H6551

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 02/27/2002

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	16S	36E	06				20	40	65	56

Record Count: 20

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: 16S

Range: 36E

Sections: 6

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last)

☐ Non-Domestic ☒ Domestic ☐ All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

WELL / SURFACE DATA REPORT 02/27/2002

(acre ft per annum)				(quarters are 1=NW 2=NE 3=SW 4=SE)													
DB File Nbr	Use	Diversions	Owner	Well Number	Source	Tws	Rng	Sec	q	q	q	q	X	Y	are in Feet	UTM	are in M
													Zone	X	Y	Zone	East
L 03104	PRO	3	WARREN & BRADSHAW EXPLORATION	L 03104	Shallow	16S	36E	06	1							13	6
L 03697	PRO	3	CACTUS DRILLING CORP.	L 03697	Shallow	16S	36E	06								13	6
L 03773	PRO	3	CACTUS DRILLING CORP.	L 03773	Shallow	16S	36E	06								13	6
L 03797	DOM	3	W.M. SNYDER	L 03773 APPRO	Shallow	16S	36E	06								13	6
L 03797	DOM	3	W.M. SNYDER	L 03797	Shallow	16S	36E	06								13	6
L 03862	PRO	3	FIRST BLACK STOCK	L 03797 APPRO EXP	Shallow	16S	36E	06								13	6
L 03862	PRO	3	FIRST BLACK STOCK	L 03862	Shallow	16S	36E	06								13	6
L 06206	DOM	3	CLARENCE EUGENE LUCE	L 03862 APPRO	Shallow	16S	36E	06								13	6
L 07110	DOM	3	MELVIN J. DICKERSON	L 06206	Shallow	16S	36E	06	3							13	6
L 07187	DOM	3	LARRY WHITE	L 07110	Shallow	16S	36E	06	3	4						13	6
L 07313	DOM	3	LARRY L. WHITE	L 07187	Shallow	16S	36E	06	3	3						13	6
L 07430	DOM	3	GILBERT ARREOLA	L 07313	Shallow	16S	36E	06	3	4						13	6
L 08466	DOM	3	EMPIRE DRILLING COMPANY	L 07430	Shallow	16S	36E	06	3	1						13	6
L 09962	DOM	3	JOSE M. MORENO	L 08466	Shallow	16S	36E	06	3	4	1					13	6
L 10024	DOM	3	LUPE F. MORENO	L 09962	Shallow	16S	36E	06								13	6
L 10577	DOM	3	ORRIT ENTERPRISES INC	L 10024	Shallow	16S	36E	06								13	6
L 10628	DOM	3	LITTLE BILLY E AND MARSHA R	L 10577	Shallow	16S	36E	06	3	3	1					13	6
L 10657	PRO	0	CHESAPEAKE OPERATING	L 10628	Shallow	16S	36E	06	3	4	4					13	6
L 10705	PRO	0	CHARLES B JR GILLESPIE	L 10657	Shallow	16S	36E	06	3	2	2					13	6
L 10733	PRO	0	PATTERSON DRILLING COMPANY	L 10705	Shallow	16S	36E	06	3	1						13	6
L 10752	PRO	0	GILLESPIE OIL COMPANY	L 10657	Shallow	16S	36E	06	3	2	2					13	6
L 11149	DOM	3	CARROLL W. BELLAH	L 10752	Shallow	16S	36E	06	3	1	1					13	6
L 11149	DOM	3	CARROLL W. BELLAH	L 11149	Shallow	16S	36E	06	1	3						13	6

Record Count: 25

<u>POOL</u>	<u>LOCATION</u>	<u>CHLORIDES</u>
Dean Permo Pennsylvanian	↓ 5-16-37	44,730
Dean Devonian	↓ 35-15-36	19,525
Denton Wolfcamp	↓ 2-15-37	37,275
Denton Devonian	↓ 26-14-37	37,062
South Denton Wolfcamp	↓ 26-15-37	54,315
South Denton Devonian	↓ 36-15-37	34,080
Medicine Rock Devonian	↓ 15-15-38	39,760
Little Lucky Lake Devonian	↓ 29-15-30	23,288
Wantz Abo	↓ 26-21-37	132,770
Crosby Devonian	↓ 18-25-37	58,220
Scarborough Yates Seven Rivers	↓ 7-26-37	3,443 (Reef)
Teague Simpson	↓ 34-23-37	114,665
Teague Ellenburger	↓ 34-23-37	120,345
Rhodes Yates Seven Rivers	↓ 27-26-37	144,485
House San Andres	↓ 11-20-38	93,365
House Drinkard	↓ 12-20-38	49,700
South Leonard Queen	↓ 24-26-37	115,375
Elliott Abo	↓ 8-21-38	55,380
Scharb Bone Springs	↓ 5-19-35	30,601
EK Queen	↓ 13-18-34	41,890
East EK Queen	↓ 22-18-34	179,630
Maljamar Grayburg San Andres	↓ 22-17-32	46,079
Maljamar Paddock	↓ 27-17-32	115,375
Maljamar Devonian	↓ 22-17-32	25,418
Salt Lake Yates	↓ 7-20-33	6,781 (Reef)
Teas Yates Seven Rivers	↓ 11-20-33	22,152 (Reef?)

<u>POOL</u>	<u>LOCATION</u>	<u>CHLORIDES</u>
North Justis Montoya	↘ 2-25-37	45,440
North Justis McKee	↘ 2-25-37	58,220
North Justis Fusselman	↘ 2-25-37	68,533
North Justis Ellenburger	↘ 2-25-37	34,151
Fowler Blinebry	↘ 22-24-37	116,085
Skaggs Grayburg	↘ 18-20-38	84,845
Warren McKee	↘ 18-20-38	85,910
Warren Abo	↘ 19-20-39	91,600
DK Drinkard	↘ 30-20-39	106,855
Littman San Andres	↘ 8-21-38	38,695
East Hobbs Grayburg	↘ 29-18-39	6,461
Halfway Yates	↘ 16-20-32	14,768
Arkansas Junction San Andres	↘ 12-18-36	7,171
Pearl Queen	↘ 28-19-35	114,310
Midway Abo	↘ 17-17-37	36,494
Lovington Abo	↘ 31-16-37	22,933
Lovington San Andres	↘ 3-16-37	4,899
Lovington Paddock	↘ 31-16-37	93,720
West Lovington San Andres	--	65,320
Mesa Queen	↘ 17-16-32	172,530
Kennitz Wolfcamp	↘ 27-16-34	49,345
Hume Queen	↘ 9-16-34	124,960
Anderson Ranch Wolfcamp	↘ 2-16-32	11,040
Anderson Ranch Devonian	↘ 11-16-32	25,702
Anderson Ranch Unit	↘ 11-16-32	23,785
Caudill Devonian	↘ 9-15-36	20,874
Townsend Wolfcamp	↘ 6-16-36	38,695

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : **Chesapeake**

Lease : **Little**

Well No.: **# 6-1**

Location:

Attention:

Date Sampled : **21-January-2002**

Date Analyzed: **08-February-2002**

Lab ID Number: **Feb0802.003- 4**

Salesperson :

File Name : **F:\WATERS\Feb0802.003**

ANALYSIS

- | | | | |
|----|---------------------------|--------|--------------|
| 1. | Ph | | 6.600 |
| 2. | Specific Gravity 60/60 F. | | 1.063 |
| 3. | CACO3 Saturation Index | @ 80F | 0.014 |
| | | @ 140F | 0.939 |

Dissolved Gasses

- | | | <u>MG/L.</u> | <u>EQ. WT.</u> | <u>*MEQ/L</u> |
|----|------------------|-----------------------|----------------|---------------|
| 4. | Hydrogen Sulfide | 0 | | |
| 5. | Carbon Dioxide | 160 | | |
| 6. | Dissolved Oxygen | Not Determined | | |

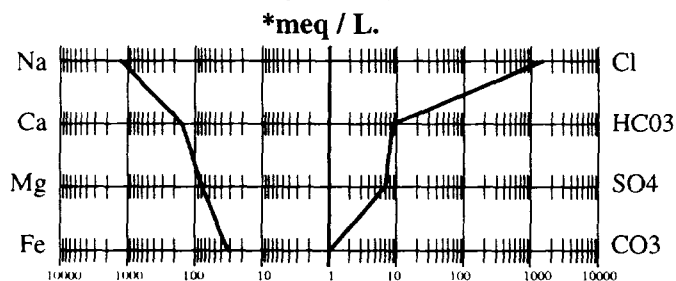
Cations

- | | | | | | |
|-----|-----------|--------------------|-----------------------|----------|-----------------|
| 7. | Calcium | (Ca++) | 3,006 | / 20.1 = | 149.55 |
| 8. | Magnesium | (Mg++) | 912 | / 12.2 = | 74.75 |
| 9. | Sodium | (Na+) (Calculated) | 27,591 | / 23.0 = | 1,199.61 |
| 10. | Barium | (Ba++) | Not Determined | | |

Anions

- | | | | | | |
|-----|----------------------------------|---------|---------------|----------|-----------------|
| 11. | Hydroxyl | (OH+) | 0 | / 17.0 = | 0.00 |
| 12. | Carbonate | (CO3=) | 0 | / 30.0 = | 0.00 |
| 13. | Bicarbonate | (HCO3-) | 513 | / 61.1 = | 8.40 |
| 14. | Sulfate | (SO4=) | 325 | / 48.8 = | 6.66 |
| 15. | Chloride | (Cl-) | 49,989 | / 35.5 = | 1,408.14 |
| 16. | Total Dissolved Solids | | 82,336 | | |
| 17. | Total Iron | (Fe) | 563 | / 18.2 = | 30.91 |
| 18. | Total Hardness as CaCO3 | | 11,260 | | |
| 19. | Resistivity @ 75 F. (Calculated) | | 0.117 | /cm. | |

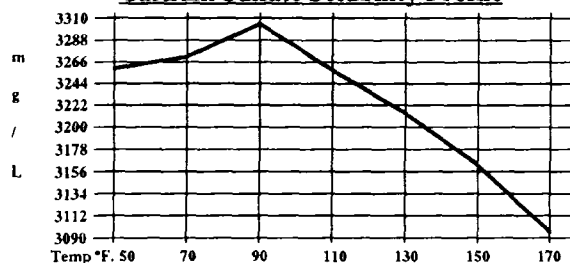
LOGARITHMIC WATER PATTERN



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	*meq/L =	mg/L.
Ca(HCO3)2	81.04	8.40		680
CaSO4	68.07	6.66		453
CaCl2	55.50	134.50		7,465
Mg(HCO3)2	73.17	0.00		0
MgSO4	60.19	0.00		0
MgCl2	47.62	74.75		3,560
NaHCO3	84.00	0.00		0
NaSO4	71.03	0.00		0
NaCl	58.46	1,198.89		70,087

Calcium Sulfate Solubility Profile



Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : **Chesapeake**
 Lease : **Chambers**
 Well No.: **# 7-1**
 Location:
 Attention:

Date Sampled : **21-January-2002**
 Date Analyzed: **08-February-2002**
 Lab ID Number: **Feb0802.003- 6**
 Salesperson :

File Name : **F:\WATERS\Feb0802.003**

ANALYSIS

- | | |
|------------------------------|--------------|
| 1. Ph | 6.900 |
| 2. Specific Gravity 60/60 F. | 1.048 |
| 3. CACO3 Saturation Index | @ 80F 0.163 |
| | @ 140F 1.073 |

Dissolved Gasses

- | | MG/L. | EQ. WT. | *MEQ/L |
|---------------------|----------------|---------|--------|
| 4. Hydrogen Sulfide | 0 | | |
| 5. Carbon Dioxide | 60 | | |
| 6. Dissolved Oxygen | Not Determined | | |

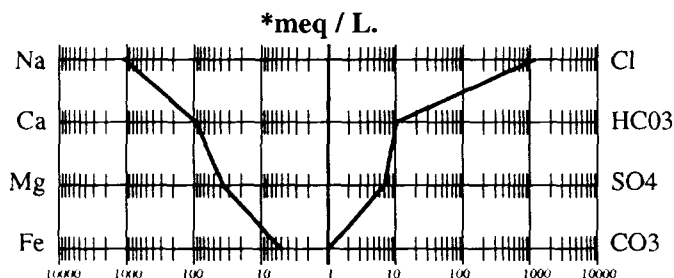
Cations

- | | | | | |
|--------------|--------------------|----------------|----------|----------|
| 7. Calcium | (Ca++) | 1,804 | / 20.1 = | 89.75 |
| 8. Magnesium | (Mg++) | 425 | / 12.2 = | 34.84 |
| 9. Sodium | (Na+) (Calculated) | 23,445 | / 23.0 = | 1,019.35 |
| 10. Barium | (Ba++) | Not Determined | | |

Anions

- | | | | | |
|--------------------------------------|---------|------------|----------|----------|
| 11. Hydroxyl | (OH+) | 0 | / 17.0 = | 0.00 |
| 12. Carbonate | (CO3=) | 0 | / 30.0 = | 0.00 |
| 13. Bicarbonate | (HCO3-) | 610 | / 61.1 = | 9.98 |
| 14. Sulfate | (SO4=) | 325 | / 48.8 = | 6.66 |
| 15. Chloride | (Cl-) | 39,991 | / 35.5 = | 1,126.51 |
| 16. Total Dissolved Solids | | 66,600 | | |
| 17. Total Iron | (Fe) | 88 | / 18.2 = | 4.81 |
| 18. Total Hardness as CaCO3 | | 6,256 | | |
| 19. Resistivity @ 75 F. (Calculated) | | 0.146 /cm. | | |

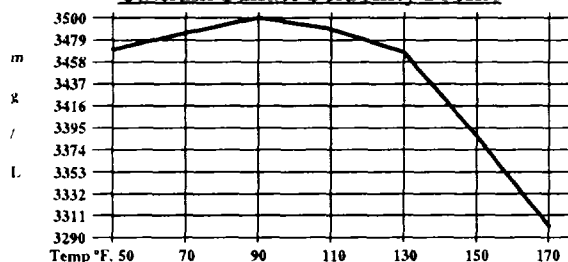
LOGARITHMIC WATER PATTERN



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	*meq/L	= mg/L.
Ca(HCO3)2	81.04		9.98	809
CaSO4	68.07		6.66	453
CaCl2	55.50		73.11	4,057
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCl2	47.62		34.84	1,659
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		1,018.56	59,545

Calcium Sulfate Solubility Profile



Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : **Chesapeake**
 Lease : **Bus Barn**
 Well No.: **# 4-14**
 Location:
 Attention:

Date Sampled : **21-January-2002**
 Date Analyzed: **08-February-2002**
 Lab ID Number: **Feb0802.003- 5**
 Salesperson :

File Name : F:\WATERS\Feb0802.003

ANALYSIS

- | | |
|------------------------------|---------------|
| 1. Ph | 6.500 |
| 2. Specific Gravity 60/60 F. | 1.038 |
| 3. CACO3 Saturation Index | -0.217 |
| | 0.723 |

@ 80F
 @ 140F

Dissolved Gasses

- | | |
|---------------------|-----------------------|
| 4. Hydrogen Sulfide | 0 |
| 5. Carbon Dioxide | 80 |
| 6. Dissolved Oxygen | Not Determined |

Cations

- | | | | | |
|--------------|--------------------|-----------------|----------|---------------|
| 7. Calcium | (Ca++) | 4,008 | / 20.1 = | 199.40 |
| 8. Magnesium | (Mg++) | 608 | / 12.2 = | 49.84 |
| 9. Sodium | (Na+) (Calculated) | 10,683 | / 23.0 = | 464.48 |
| 10. Barium | (Ba++) | Below 10 | | |

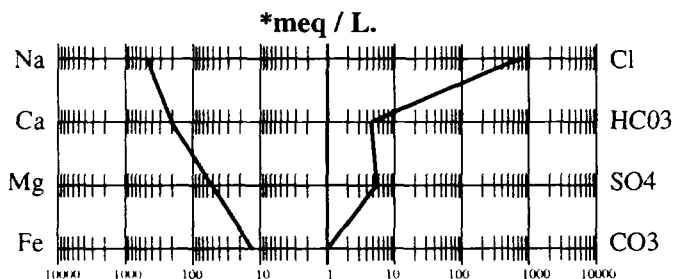
Anions

- | | | | | |
|--------------------------------------|---------|-------------------|----------|---------------|
| 11. Hydroxyl | (OH+) | 0 | / 17.0 = | 0.00 |
| 12. Carbonate | (CO3=) | 0 | / 30.0 = | 0.00 |
| 13. Bicarbonate | (HCO3-) | 268 | / 61.1 = | 4.39 |
| 14. Sulfate | (SO4=) | 255 | / 48.8 = | 5.23 |
| 15. Chloride | (Cl-) | 24,994 | / 35.5 = | 704.06 |
| 16. Total Dissolved Solids | | 40,816 | | |
| 17. Total Iron | (Fe) | 233 | / 18.2 = | 12.77 |
| 18. Total Hardness as CaCO3 | | 12,511 | | |
| 19. Resistivity @ 75 F. (Calculated) | | 0.210 /cm. | | |

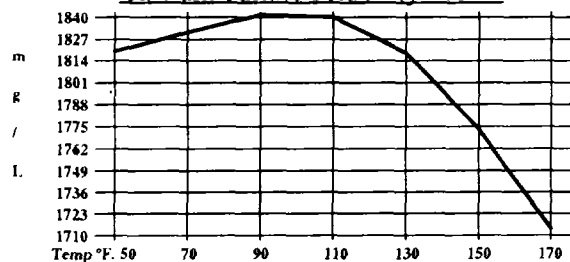
PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	*meq/L	= mg/L.
Ca(HCO3)2	81.04		4.39	355
CaSO4	68.07		5.23	356
CaCl2	55.50		189.79	10,533
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCl2	47.62		49.84	2,373
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		464.43	27,151

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Chesapeake Operating
Lease : Ruth
Well No. : # 20-1
Lab No. : F:\ANALYSES\Nov1399.001

Sample Loc. :
Date Analyzed: 13-November-1999
Date Sampled : 21-October-1999

ANALYSIS

1. pH 6.220
2. Specific Gravity 60/60 F. 1.048
3. CaCO₃ Saturation Index @ 80 F. -0.653
@ 140 F. +0.272

Dissolved Gasses

	MG/L	EQ. WT.	*MEQ/L
4. Hydrogen Sulfide	0		
5. Carbon Dioxide	70		
6. Dissolved Oxygen	Not Determined		

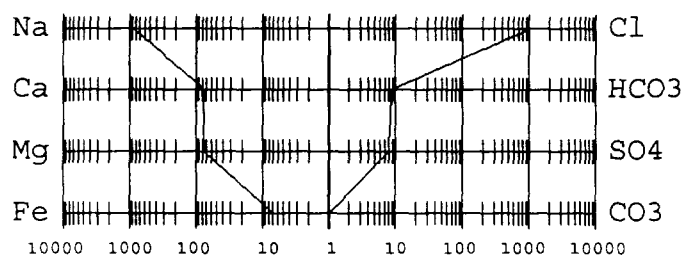
Cations

7. Calcium (Ca ⁺⁺)	1,503	/ 20.1 =	74.78
8. Magnesium (Mg ⁺⁺)	912	/ 12.2 =	74.75
9. Sodium (Na ⁺)	(Calculated) 19,616	/ 23.0 =	852.87
10. Barium (Ba ⁺⁺)	Not Determined		

Anions

11. Hydroxyl (OH ⁻)	0	/ 17.0 =	0.00
12. Carbonate (CO ₃ ⁼)	0	/ 30.0 =	0.00
13. Bicarbonate (HCO ₃ ⁻)	517	/ 61.1 =	8.46
14. Sulfate (SO ₄ ⁼)	375	/ 48.8 =	7.68
15. Chloride (Cl ⁻)	34,992	/ 35.5 =	985.69
16. Total Dissolved Solids	57,915		
17. Total Iron (Fe)	120	/ 18.2 =	6.59
18. Total Hardness As CaCO ₃	7,507		
19. Resistivity @ 75 F. (Calculated)	0.164 /cm.		

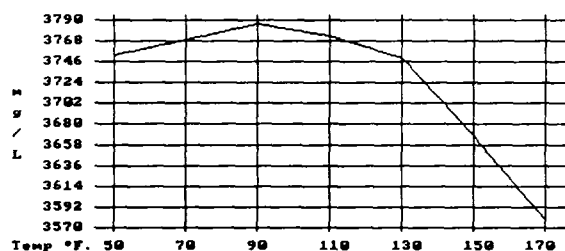
LOGARITHMIC WATER PATTERN *meq/L.



PROBABLE MINERAL COMPOSITION COMPOUND EQ. WT. X *meq/L = mg/L.

Ca (HCO ₃) ₂	81.04	8.46	686
CaSO ₄	68.07	7.68	523
CaCl ₂	55.50	58.63	3,254
Mg (HCO ₃) ₂	73.17	0.00	0
MgSO ₄	60.19	0.00	0
MgCl ₂	47.62	74.75	3,560
NaHCO ₃	84.00	0.00	0
NaSO ₄	71.03	0.00	0
NaCl	58.46	852.31	49,826

Calcium Sulfate Solubility Profile



*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts, and the presence of, CO₂ in solution.

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Chesapeake Operating
 Lease : Runnels
 Well No. : # 8-1
 Lab No. : F:\ANALYSES\Nov1399.001

Sample Loc. :
 Date Analyzed: 13-November-1999
 Date Sampled : 21-October-1999

ANALYSIS

1. pH 6.590
2. Specific Gravity 60/60 F. 1.045
3. CaCO₃ Saturation Index @ 80 F. -0.438
 @ 140 F. +0.492

Dissolved Gasses

	MG/L	EQ. WT.	*MEQ/L
4. Hydrogen Sulfide	0		
5. Carbon Dioxide	90		
6. Dissolved Oxygen	Not Determined		

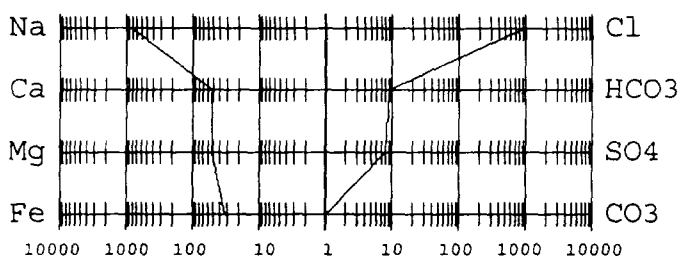
Cations

7. Calcium (Ca ⁺⁺)	1,002	/ 20.1 =	49.85
8. Magnesium (Mg ⁺⁺)	608	/ 12.2 =	49.84
9. Sodium (Na ⁺)	18,829	/ 23.0 =	818.65
10. Barium (Ba ⁺⁺)	Not Determined		

Anions

11. Hydroxyl (OH ⁻)	0	/ 17.0 =	0.00
12. Carbonate (CO ₃ ⁼)	0	/ 30.0 =	0.00
13. Bicarbonate (HCO ₃ ⁻)	537	/ 61.1 =	8.79
14. Sulfate (SO ₄ ⁼)	375	/ 48.8 =	7.68
15. Chloride (Cl ⁻)	31,993	/ 35.5 =	901.21
16. Total Dissolved Solids	53,344		
17. Total Iron (Fe)	590	/ 18.2 =	32.42
18. Total Hardness As CaCO ₃	5,004		
19. Resistivity @ 75 F. (Calculated)	0.175 /cm.		

LOGARITHMIC WATER PATTERN *meq/L.



PROBABLE MINERAL COMPOSITION COMPOUND EQ. WT. X *meq/L = mg/L.

Ca (HCO ₃) ₂	81.04	8.79	712
CaSO ₄	68.07	7.68	523
CaCl ₂	55.50	33.38	1,852
Mg (HCO ₃) ₂	73.17	0.00	0
MgSO ₄	60.19	0.00	0
MgCl ₂	47.62	49.84	2,373
NaHCO ₃	84.00	0.00	0
NaSO ₄	71.03	0.00	0
NaCl	58.46	818.00	47,820

Calcium Sulfate Solubility Profile



This water is slightly corrosive due to the pH observed on analysis.
 The corrosivity is increased by the content of mineral salts, and the presence of, CO₂ in solution.

*Milli Equivalents per Liter

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Chesapeake Operating
Lease : Lorena
Well No. : # 1-1
Lab No. : F:\ANALYSES\Nov1399.001

Sample Loc. :
Date Analyzed: 13-November-1999
Date Sampled : 22-October-1999

ANALYSIS

1. pH 6.570
2. Specific Gravity 60/60 F. 1.043
3. CaCO₃ Saturation Index @ 80 F. -0.345
@ 140 F. +0.585

Dissolved Gasses

	MG/L	EQ. WT.	*MEQ/L
4. Hydrogen Sulfide	0		
5. Carbon Dioxide	100		
6. Dissolved Oxygen	Not Determined		

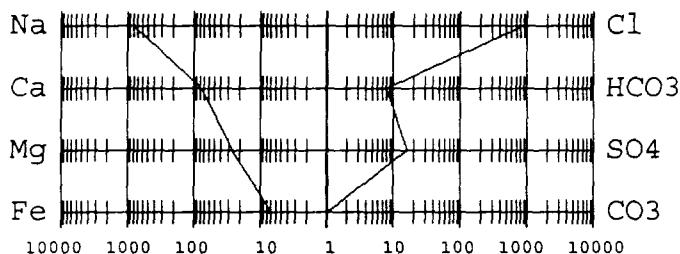
Cations

7. Calcium (Ca++)	1,503	/ 20.1 =	74.78
8. Magnesium (Mg++)	304	/ 12.2 =	24.92
9. Sodium (Na+) (Calculated)	17,684	/ 23.0 =	768.87
10. Barium (Ba++)	Not Determined		

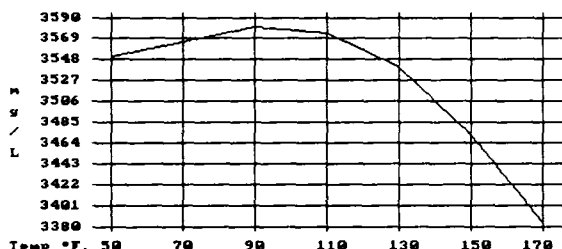
Anions

11. Hydroxyl (OH-)	0	/ 17.0 =	0.00
12. Carbonate (CO ₃ =)	0	/ 30.0 =	0.00
13. Bicarbonate (HCO ₃ -)	464	/ 61.1 =	7.59
14. Sulfate (SO ₄ =)	750	/ 48.8 =	15.37
15. Chloride (Cl ⁻)	29,993	/ 35.5 =	844.87
16. Total Dissolved Solids	50,698		
17. Total Iron (Fe)	120	/ 18.2 =	6.59
18. Total Hardness As CaCO ₃	5,004		
19. Resistivity @ 75 F. (Calculated)	0.183 /cm.		

LOGARITHMIC WATER PATTERN *meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT. X	*meq/L = mg/L.
Ca (HCO ₃) ₂	81.04	7.59 615
CaSO ₄	68.07	15.37 1,046
CaCl ₂	55.50	51.81 2,876
Mg (HCO ₃) ₂	73.17	0.00 0
MgSO ₄	60.19	0.00 0
MgCl ₂	47.62	24.92 1,187
NaHCO ₃	84.00	0.00 0
NaSO ₄	71.03	0.00 0
NaCl	58.46	768.14 44,906

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts, and the presence of, CO₂ in solution.

Pro-Kem, Inc.

WATER ANALYSIS REPORT

AMPLE

Oil Co. : Chesapeake Operating
Lease : Chambers '77'
Well No. : # 1
Lab No. : F:\ANALYSES\Nov0199.001

Sample Loc. :
Date Analyzed: 01-November-1999
Date Sampled : 20-October-1999

ANALYSIS

1. pH 6.610
2. Specific Gravity 60/60 F. 1.043
3. CaCO₃ Saturation Index @ 80 F. -0.199
@ 140 F. +0.726

Dissolved Gasses

	MG/L	EQ. WT.	*MEQ/L
4. Hydrogen Sulfide	0		
5. Carbon Dioxide	40		
6. Dissolved Oxygen	Not Determined		

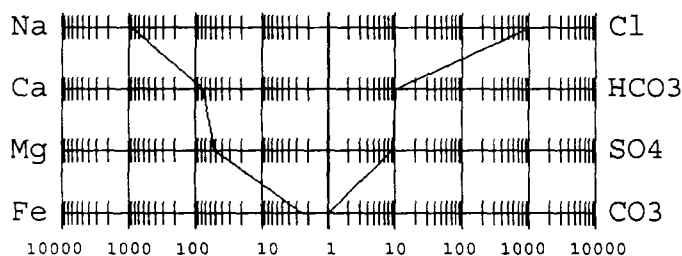
Cations

7. Calcium (Ca++)	1,503	/ 20.1 =	74.78
8. Magnesium (Mg++)	608	/ 12.2 =	49.84
9. Sodium (Na+) (Calculated)	20,246	/ 23.0 =	880.26
10. Barium (Ba++)	Not Determined		

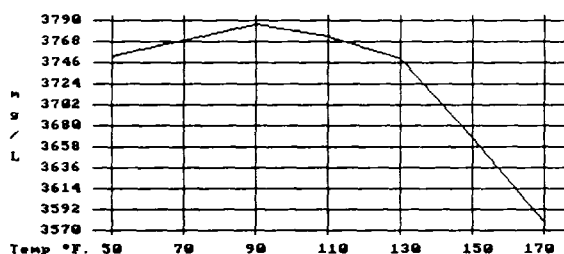
Anions

11. Hydroxyl (OH-)	0	/ 17.0 =	0.00
12. Carbonate (CO ₃ =)	0	/ 30.0 =	0.00
13. Bicarbonate (HCO ₃ -)	600	/ 61.1 =	9.82
14. Sulfate (SO ₄ =)	425	/ 48.8 =	8.71
15. Chloride (Cl ⁻)	34,992	/ 35.5 =	985.69
16. Total Dissolved Solids	58,374		
17. Total Iron (Fe)	44	/ 18.2 =	2.42
18. Total Hardness As CaCO ₃	6,256		
19. Resistivity @ 75 F. (Calculated)	0.164 /cm.		

LOGARITHMIC WATER PATTERN *meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION COMPOUND EQ. WT. X *meq/L = mg/L.

Ca(HCO ₃) ₂	81.04	9.82	796
CaSO ₄	68.07	8.71	593
CaCl ₂	55.50	56.25	3,122
Mg(HCO ₃) ₂	73.17	0.00	0
MgSO ₄	60.19	0.00	0
MgCl ₂	47.62	49.84	2,373
NaHCO ₃	84.00	0.00	0
NaSO ₄	71.03	0.00	0
NaCl	58.46	879.61	51,422

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts, and the presence of, CO₂ in solution.

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Chesapeake
Lease : Watson
Well No. : # 6-1
Salesman :

Sample Loc. :
Date Analyzed: 16-March-1998
Date Sampled : 25-February-1998

ANALYSIS

1. pH 6.350
2. Specific Gravity 60/60 F. 1.088
3. CaCO₃ Saturation Index @ 80 F. +0.135
@ 140 F. +1.015

Dissolved Gasses

- | | MG/L | EQ. WT. | *MEQ/L |
|---------------------|----------------|---------|--------|
| 4. Hydrogen Sulfide | 0 | | |
| 5. Carbon Dioxide | 80 | | |
| 6. Dissolved Oxygen | Not Determined | | |

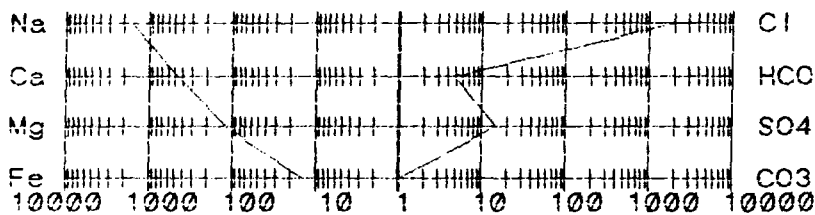
Cations

- | | | | |
|---|----------------|----------|----------|
| 7. Calcium (Ca ⁺⁺) | 8,649 | / 20.1 = | 430.30 |
| 8. Magnesium (Mg ⁺⁺) | 1,391 | / 12.2 = | 114.02 |
| 9. Sodium (Na ⁺) (Calculated) | 35,212 | / 23.0 = | 1,530.96 |
| 10. Barium (Ba ⁺⁺) | Not Determined | | |

Anions

- | | | | |
|--|------------|----------|----------|
| 11. Hydroxyl (OH ⁻) | 0 | / 17.0 = | 0.00 |
| 12. Carbonate (CO ₃ ⁼) | 0 | / 30.0 = | 0.00 |
| 13. Bicarbonate (HCO ₃ ⁻) | 273 | / 61.1 = | 4.47 |
| 14. Sulfate (SO ₄ ⁼) | 700 | / 48.8 = | 14.34 |
| 15. Chloride (Cl ⁻) | 72,984 | / 35.5 = | 2,055.89 |
| 16. Total Dissolved Solids | 119,209 | | |
| 17. Total Iron (Fe) | 252 | / 18.2 = | 13.85 |
| 18. Total Hardness As CaCO ₃ | 27,324 | | |
| 19. Resistivity @ 75 F. (Calculated) | 0.068 /cm. | | |

LOGARITHMIC WATER PATTERN *meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION COMPOUND EQ. WT. X *meq/L = mg/L.

Na	Cl	Ca(HCO ₃) ₂	81.04	4.47	362
Ca	HCO ₃	CaSO ₄	68.07	14.34	976
Mg	SO ₄	CaCl ₂	55.50	411.49	22.837
Fe	CO ₃	Mg(HCO ₃) ₂	73.17	0.00	0
		MgSO ₄	60.19	0.00	0
		MgCl ₂	47.62	114.02	5.429
		NaHCO ₃	84.00	0.00	0
		NaSO ₄	71.03	0.00	0
		NaCl	58.46	1,530.38	89.466

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts, and the presence of, CO₂ in solution.

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	1914.0	T. Canyon	
T. Salt	2038.0	T. Strawn	11436.0
B. Salt		T. Atoka	11642.0
T. Yates	3117.0	T. Miss	
T. 7 Rivers		T. Devonian	
T. Queen		T. Silurian	
T. Grayburg		T. Montoya	
T. San Andres	4668.0	T. Simpson	
T. Glorieta	6224.0	T. McKee	
T. Paddock		T. Ellenburger	
T. Blinbry		T. Gr. Wash	
T. Tubb	7488.0	T. Delaware Sand	
T. Drinkard		T. Bone Springs	
T. Abo	8218.0	T.	
T. Wolfcamp	9689.0	T.	
T. Penn		T.	
T. Cisco (Bough C)		T.	

Northwestern New Mexico

T. Ojo Alamo		T. Penn. "B"	
T. Kirtland-Fruitland		T. Penn. "C"	
T. Pictured Cliffs		T. Penn. "D"	
T. Cliff House		T. Leadville	
T. Menefee		T. Madison	
T. Point Lookout		T. Elbert	
T. Mancos		T. McCracken	
T. Gallup		T. Ignacio Otzte	
Base Greenhorn		T. Granite	
T. Dakota		T.	
T. Morrison		T.	
T. Todilto		T.	
T. Entrada		T.	
T. Wingate		T.	
T. Chinle		T.	
T. Permian		T.	
T. Penn. "A"		T.	

OIL OR GAS SANDS OR ZONES

No. 1, from 11452 to 11477 No. 3, from to
 No. 2, from to No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
 No. 2, from to feet
 No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0.0	398.0	398.0	Sand gravel/caliche				
398.0	1914.0	1516.0	Red beds				
1914.0	3117.0	1203.0	Anhydrite & salt				
3117.0	4668.0	1551.0	Sand, Dolomite & Anhydrite				
4668.0	6224.0	1556.0	Dolomite				
6224.0	8218.0	1994.0	Sand & Dolomite				
8218.0	9689.0	1471.0	Dolomite & Shale				
9689.0	11800.0	2111.0	Limestone, Shale, Chert and san				

XIII

**DKD, L.L.C.
P.O. BOX 682
TATUM, NM 88267**

February 28, 2002

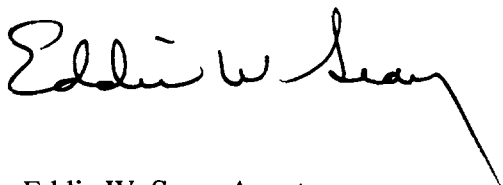
RE: Watson 6 #1
Unit N, Sect. 6, Tws. 16 S., Rng. 36 E.

Dear Sirs:

In accordance with the rules and regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject, in the above captioned well.

Any questions about the permit can be directed to Eddie W. Seay, (505)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is P.O. Box 6429, 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank you,

A handwritten signature in black ink, appearing to read "Eddie W. Seay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

LIST OF LANDOWNERS & OFFSET OPERATORS

LANDOWNER

DKD LLC.
P.O. Box 682
Tatum, NM 88267

OFFSET OPERATORS

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Charles B. Gillespie, Jr.
Box 8, 500 W. Texas, Ste. 890
Midland, TX 79701

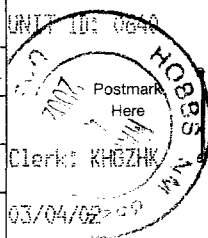
Pronghorn Management Corporation
Box 1772
Hobbs, NM 88241

Energen Resources Corporation
2198 Bloomfield Hwy.
Farmington, NM 87402

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

FARMINGTON, NM 87402

Postage	\$ 1.95
Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.55



Sent To **Energen Resources Corporation**
 2108 Bloomfield Hwy.
 Farmington, NM 87402

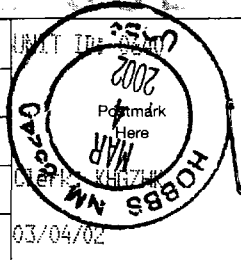
PS Form 3800, January 2001

See Reverse for Instructions

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

TATUM, NM 88267

Postage	\$ 1.95
Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.55



Sent To **DKD LLC.**
 P.O. Box 682
 Tatum, NM 88267

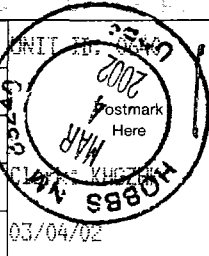
PS Form 3800, January 2001

See Reverse for Instructions

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

OKLAHOMA CITY, OK 73154

Postage	\$ 1.95
Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.55



Sent To **Chesapeake Operating, Inc.**
 P.O. Box 18496
 Oklahoma City, OK 73154-0496

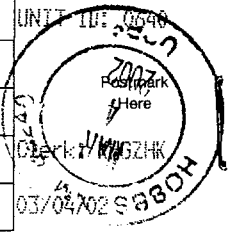
PS Form 3800, January 2001

See Reverse for Instructions

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

MIDLAND, TX 79701

Postage	\$ 1.95
Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.55



Sent To **Charles B. Gillespie, Jr.**
 P.O. Box 8, 500 W. Texas, Ste. 890
 Midland, TX 79701

PS Form 3800, January 2001

See Reverse for Instructions

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

HOBBS, NM 88241

Postage	\$ 1.95
Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.55



Sent To **Pronghorn Management Corporation**
 Box 1772
 Hobbs, NM 88241

PS Form 3800, January 2001

See Reverse for Instructions

SWD-834



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Oil Conservation Division
1220 S. Francis Drive
Santa Fe, NM 87505

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP _____
SWD X _____
WFX 2 _____
PMX _____

Gentlemen:

I have examined the application for the:

DKD LLC Watson b #1-N, b-165-36e
Operator Lease & Well No. Unit S-T-R API # 30-025-34197

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams (Signature)

Chris Williams

Supervisor, District 1

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, DKD, LLC of Box 682, Tatum, New Mexico 88267, is filing application for a commercial salt water disposal. The well being applied for is the Watson 6 well #1 located in Unit letter N, 2857/FSL and 1417/FWL in Section 6, Township 16 S., Range 36 E., Lea Co., New Mexico. The injection formation is the Cisco and Canyon from 10,340' to 11,062' below the surface. Expected maximum rate of injection will be 2000 bls. per day and the expected maximum injection pressure will be 1000 psi. Any questions about the application can be directed to Eddie W. Seay, (505)392-2236, or any objections or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, Box 6429, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87504, within 15 days.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

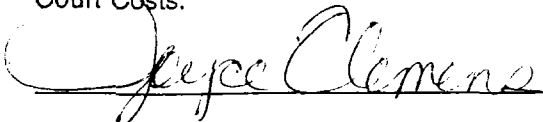
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

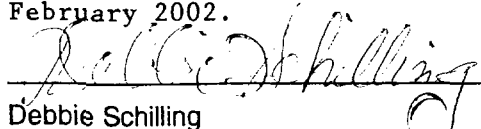
Legal Notice

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of February 28, 2002 and ending with the issue of February 28, 2002.

And that the cost of publishing said notice is the sum of \$ 18. 68 which sum has been (Paid) as Court Costs.



Subscribed and sworn to before me this 28th day of February 2002.



Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2002

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, DKD, LLC of Box 682, Tatum, New Mexico 88267, is filing application for a commercial salt water disposal. The well being applied for is the Watson 6 well #1 located in Unit letter N, 2857/FSL and 1417/FWL in Section 6, Township 16 S., Range 36 E., Lea Co., New Mexico. The injection formation is the Cisco and Canyon from 10,340' to 11,062' below the surface. Expected maximum rate of injection will be 2000 bbls. per day and the maximum injection pressure will be 2000 psi. All questions about the application can be directed to Eddie W. Seay, (505) 392-2236, or any objections or request for hearing must be directed to the Oil Conservation Division, (505) 476-3440, Box 6429, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87504, within 15 days.

Published in the Lovington Daily Leader February 28, 2002.

11524

WARRANTY DEED

PATTI KIM WATSON, A SINGLE WOMAN, DEBBIE KAY BELL FLEET, JOINED PRO-FORMA BY
ROBERT FLEET, HER HUSBAND AND BILLY RAY PATTERSON, JOINED PRO-FORMA BY BETTY
PATTERSON, HIS WIFE

for consideration paid grants to

DKD L.L.C.

whose address is PO BOX 682 TATUM, NM 88267

the following described real estate in LEA county, New Mexico

FOR SURFACE TITLE ONLY:

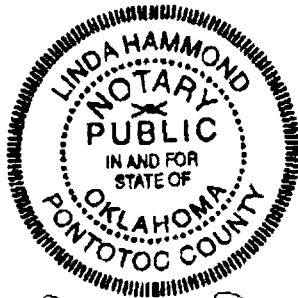
A tract of land located in the South Half of the South Half (S/2S/2) of
Lot Eleven (11), Section 6, Township 16 South, Range 36 East, N.M.P.M.
Subject to a 30 foot easement off the East side for a street.

AND

Lot Fourteen (14), Section 6, Township 16 South, Range 36 East,
N.M.P.M., Lea County, New Mexico.
Subject to reservations, restrictions and easements appearing of record

with warranty covenants.

WITNESS our hands and seals on 9/11/01



Linda Hammond
My Commission Exp March 10, 2004

Patti Kim Watson
PATTI KIM WATSON
Debbie Kay Bell Fleet
DEBBIE KAY BELL FLEET
Robert Fleet
ROBERT FLEET
Billy Ray Patterson
BILLY RAY PATTERSON
Betty Patterson
BETTY PATTERSON

SEE NEXT PAGE FOR ACKNOWLEDGEMENTS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

2nd

Lori Wrotenberg
Director
Oil Conservation Division

GARY E. JOHNSON
Governor
Carol Leach
Acting Cabinet Secretary

January 23, 2002

Mr. Danny Watson
DKD, L.L.C.
P.O. Box 682
Tatum, NM 88267

Re: Letter of Credit No. 2122839-70
DKD, L.L.C., Principal
First National Bank of Hobbs, Depository
\$10,000 one-well
Watson 6 No. 1 - 2857' FSL and 1417' FWL
Section 6, Township 16 South, Range 36 East,
Lea County, NM

Dear Mr. Watson:

The New Mexico Oil Conservation Division hereby approves the above-captioned Letter of Credit.

Sincerely,

A handwritten signature in black ink that reads "David K. Brooks".

DAVID K. BROOKS
Assistant General Counsel

DKb/dp

cc: Oil Conservation Division - Hobbs, NM

First National Bank of Hobbs
600 West Bender
Hobbs, NM 88240

Side 1

INJECTION WELL DATA SHEET

OPERATOR: DKD L.L.C.

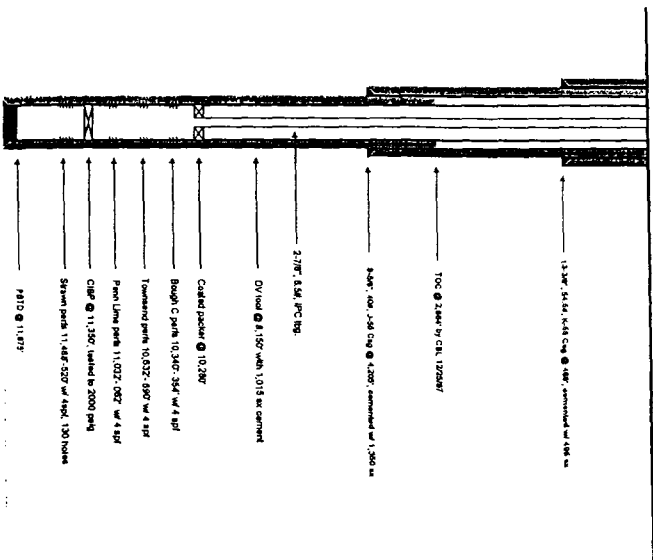
WELL NAME & NUMBER: Watson 6 #1 (30-025-34197)

WELL LOCATION: 2857/S 1417/W
FOOTAGE LOCATION

UNIT LETTER N

SECTION 6 TOWNSHIP 14 RANGE 36 E

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8"
Cemented with: 495 SX. or
Top of Cement: Surface Method Determined: Circulated
Intermediate Casing

Hole Size: 11" Casing Size: 9 5/8"
Cemented with: 1350 SX. or
Top of Cement: Surface Method Determined: Circulated
Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"
Cemented with: 1720 SX. or
Top of Cement: 2864 Method Determined: CBL
Total Depth: 11,856

Injection Interval

10,340 feet to 11,062

Perforated or Open Hole; indicate which

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: IPC or 2 1/2 Chromed
 Type of Packer: Baker Model "R"
 Packer Setting Depth: 10,280
 Other Type of Tubing/Casing Seal (if applicable): _____

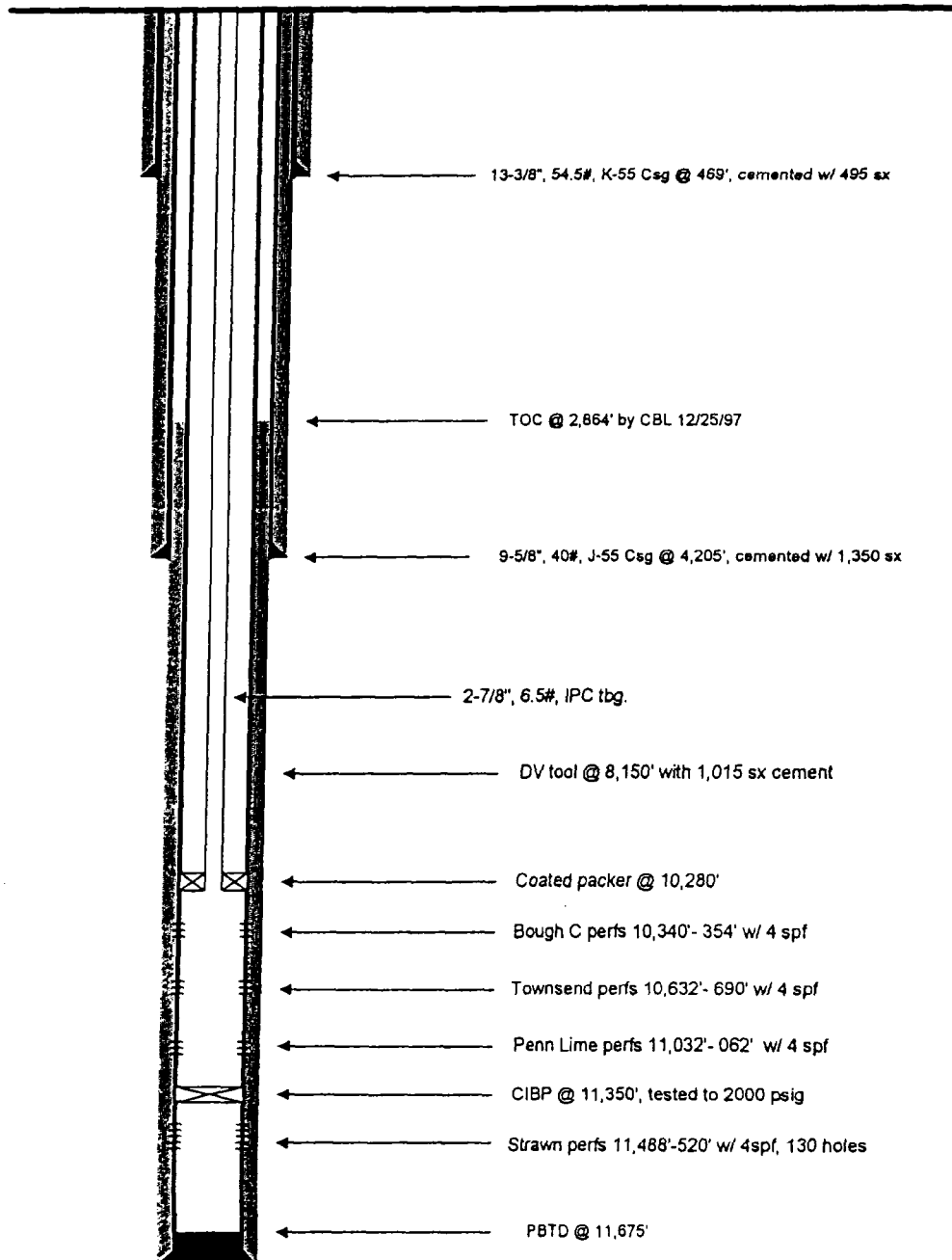
Additional Data

1. Is this a new well drilled for injection? _____ Yes X No _____
 If no, for what purpose was the well originally drilled? _____
Producing oil well
2. Name of the Injection Formation: Cisco / Canyon
3. Name of Field or Pool (if applicable): NE Shae Bar
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. Strawn 11,488 / 11,520 CIBP sat at 11,350 and tested to 3000 psi's
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____
the Strawn underlies the injection zone and is at 11,500 ±. The Wolfcamp overlies the injection zone at 9680 ±.

D.K.D. L.L.C.

Wellbore Schematic

WELL : WATSON 1-6
LOCATION : SECTION 6-16S-36 E
COUNTY : LEA STATE : NEW MEXICO
FIELD : LOVINGTON STRAWN PROJECT
ELEVATION : GL: 3,869' KB: 3,887'



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico
Energy Minerals and Natural Resources

Form C-104A
August 11, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87504

Submit 1 copy of the final affected wells
list along with 2 copies of this form per
number of wells on that list to
appropriate District Office

Change of Operator

Previous Operator Information:

New Operator Information:

OGRID: 147179
Name: Chesapeake Operating, Inc.
Address: P. O. Box 18496
Address: _____
City, State, Zip: Oklahoma City, OK 73154-0496

Effective Date: 02/01/02
New Ogrid: _____
New Name: DKD, L.L.C.
Address: P. O. Box 682
Address: _____
City, State, Zip: Tatum, NM 88267

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator

Signature: _____

Printed name: _____

Title: _____

Date: _____

Phone: _____

Previous operator complete below:

Previous
Operator: Chesapeake Operating, Inc.
Previous
OGRID: 147179

Signature: Douglas J. Jacobson
Printed
Name: Douglas J. Jacobson

NMOCD Approval

Signature: _____

Printed

Name: _____

District: _____

Date: _____

Sr. Vice Pres. - Acq. & Divest.



Hank Scheel
Manager - Acquisitions and Divestitures

March 25, 2002

DKD, L.L.C.
P. O. Box 682
Tatum, NM 88267

Re: Watson 1-6
Section 6-16S-36E
Lea County, NM

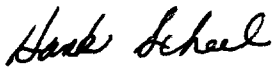
Dear Sirs:

Please find enclosed an Assignment, Bill of Sale and Conveyance, as well as Form C-104A, Change of Operator, to affect the assignment of ownership and operations of the referenced property from Chesapeake Operating, Inc., et al, to DKD, L.L.C., effective December 1, 2001.

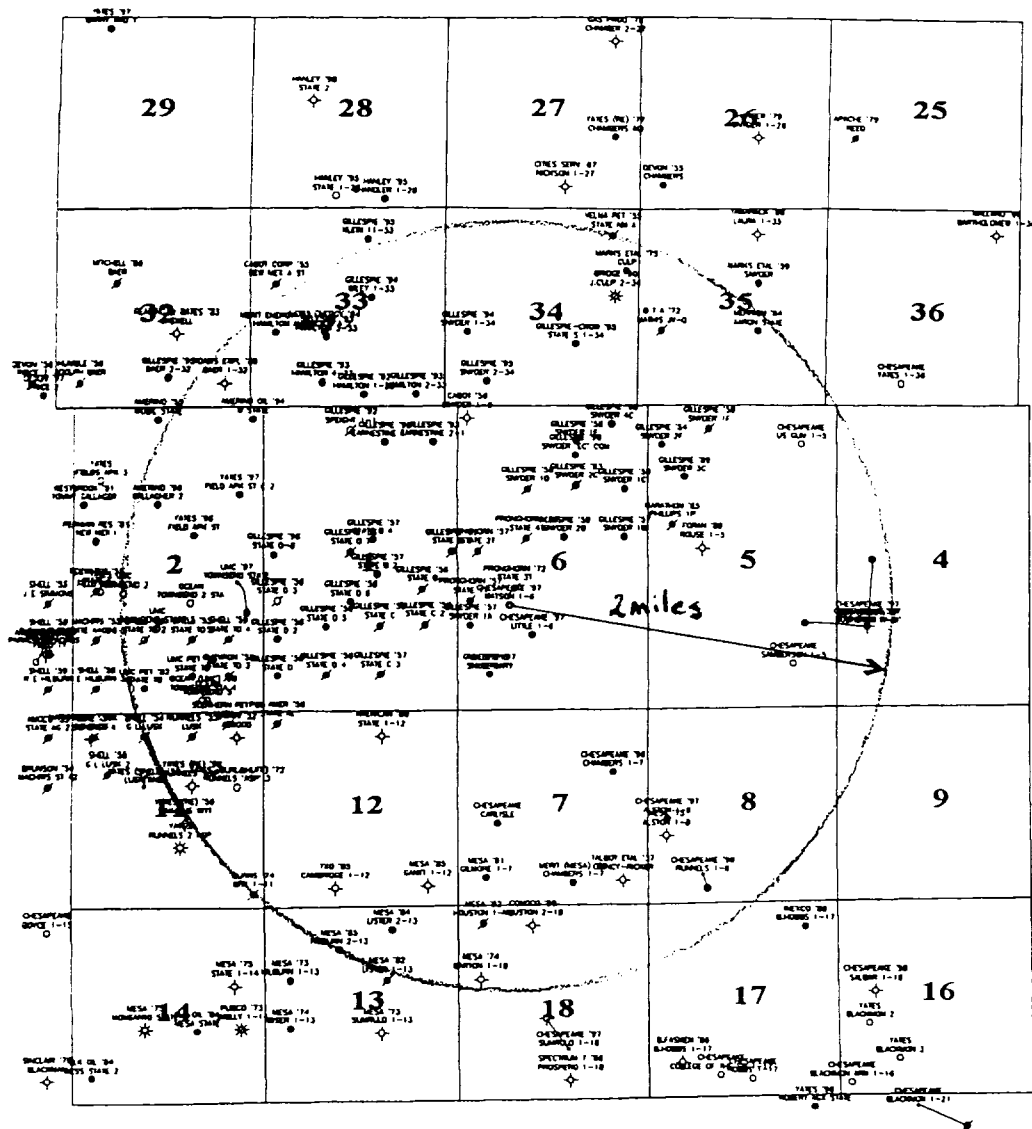
Please sign and notarize each original where indicated, and return to the undersigned for completion and filing with the appropriate agencies. As soon as the recording is complete, a recorded copy of the documents will be forwarded to you, along with the land and engineering files.

If you have any questions or need additional information, please contact the undersigned.

Sincerely,


Hank Scheel

HAS/blc
Enclosures



D.K.D. L.L.C.

Watson 1-6
Section 6-16S-36E
Lea County, Oklahoma

GREG KNIGHT		3/16/98
	1" = 1 mile	

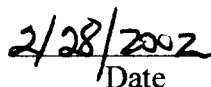


ATTACHMENT TO APPLICATION C-108

Watson 6 #1
Unit N, Sect. 6, T. 16 S., R. 36 E.
Lea Co., NM

- III. Well data information sheets attached.
- IV. No.
- V. Map attached.
- VI. List of wells and data attached.
- VII. Proposed Operation
 - 1) Average daily injection volume is 1500 bls. per day.
 - 2) Closed system.
 - 3) The average injection pressure is 500 psig with a maximum injection pressure of 1000 psig.
 - 4) Produced water from the area, see attached water analysis.
 - 5) Attached analysis.
- VIII. The proposed disposal formation is interbedded shale and limestone. The primary Geologic name is Cisco and Canyon with secondary zone such as Bough C and Townsend. The Cisco/Canyon is from 10,340' to 11,088'. The fresh water formation in this area is the Ogallala which ranges in thickness from top of H2O at 60 ft. to the base of the fresh water at 240'.
- IX. Acid as needed.
- X. Previously submitted.
- XI. Attached.
- XII. I, Eddie W. Seay, 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 source of drinking water pertaining to this well.


Signature


Date

XIII. Proof of Notices attached.

XIV. Signed Application.