

AE Order Number Banner

Application Number: pSYS2533958136

Initial Application Part I

SWD-2684

AMTEX ENERGY INC [785]

Received: 11/15/2025

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: AMTEX ENERGY, INC. OGRID Number: 785
 Well Name: RECORD 2 API: 30-025-03307
 Pool: SWD; QUEEN - SAN ANDRES Pool Code: 97508

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☒ SWD☐ IPI☐ EOR☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☒ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☒ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

3) 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.

BRIAN WOOD

Print or Type Name

Signature

11-15-25

Date


505 466-8120

Phone Number

brian@permitswest.com

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance YES _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: AMTEX ENERGY INC.
ADDRESS: P. O. BOX 470158, FT. WORTH, TX 76147
CONTACT PARTY: BRIAN WOOD (PERMITS WEST, INC.) PHONE: 505 466-8120
- 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 XXX _____ 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: BRIAN WOOD TITLE: CONSULTANT
SIGNATURE:  DATE: 11-15-25
E-MAIL ADDRESS: brian@permitswest.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: _____

Side 2

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.

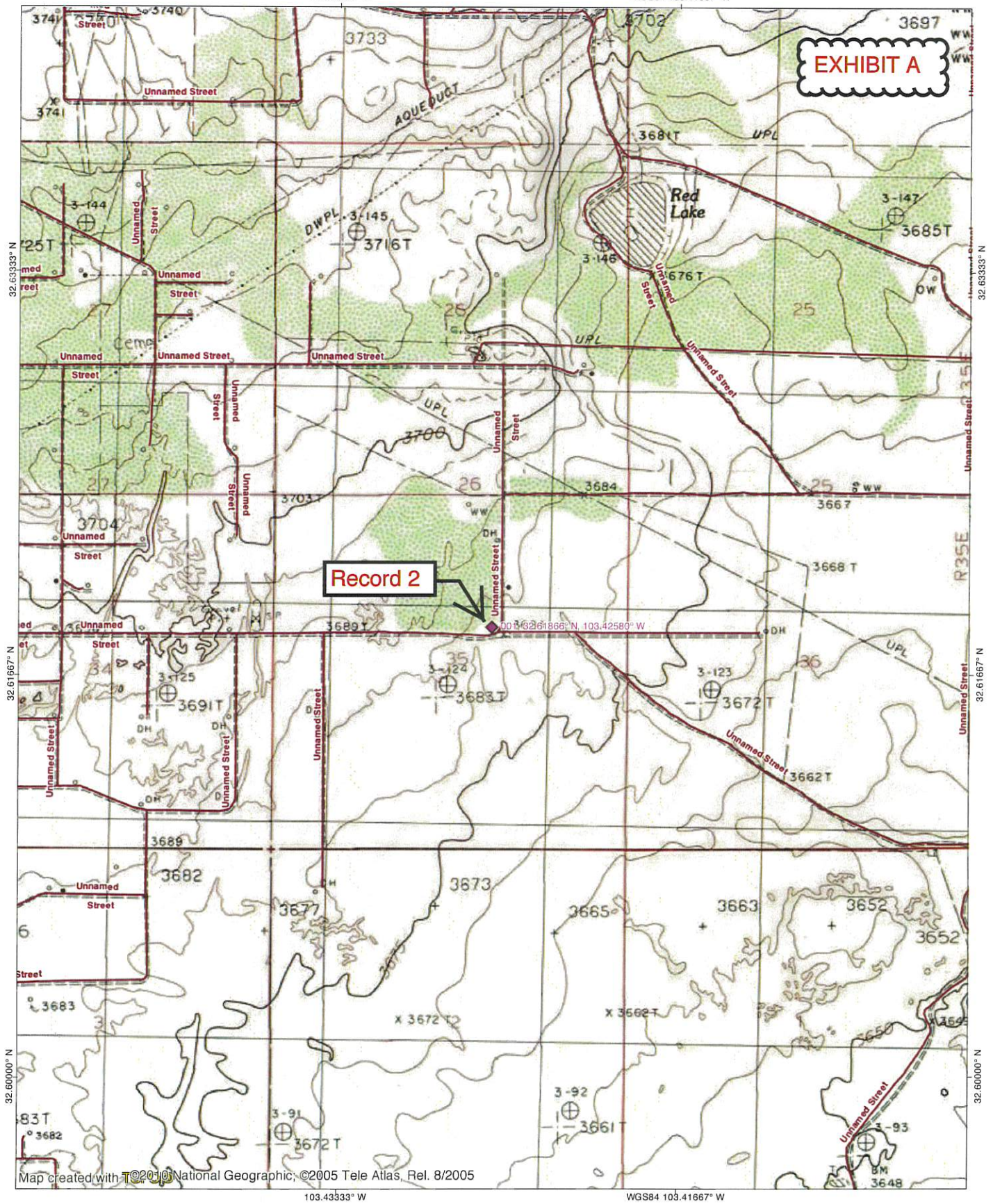
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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.

TOPO! map printed on 06/22/25 from "Untitled.tpo"

103.43333° W

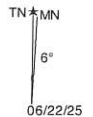
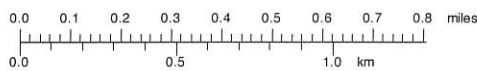
WGS84 103.41667° W



Map created with ©2010 National Geographic, ©2005 Tele Atlas, Rel. 8/2005

103.43333° W

WGS84 103.41667° W



Santa Fe Main Office Phone: (505) 476-3441 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	<div style="border: 2px solid black; padding: 5px; display: inline-block;">EXHIBIT A</div> <div style="float: right;">C-102</div> <div style="clear: both;"></div> Revised July 9, 2024 Submit Electronically via OCD Permitting

WELL LOCATION INFORMATION

API Number 30-025-03307	Pool Code 97508	Pool Name SWD; QUEEN - SAN ANDRES
Property Code 1226	Property Name RECORD	Well Number 002
OGRID No. 785	Operator Name AMTEX ENERGY INC.	Ground Level Elevation 3689'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
G	35	19 S	35 E		1980 FNL	1980 FEL	32.61866	-103.42580	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
G	35	19 S	35 E		1980 FNL	1980 FEL	32.61866	-103.42580	LEA

Dedicated Acres N/A	Infill or Defining Well N/A	Defining Well API N/A	Overlapping Spacing Unit (Y/N) N/A	Consolidation Code N/A
Order Numbers. PENDING			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Last Take Point (LTP)

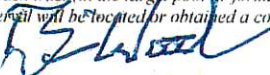
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.


 Signature Date 7-3-25

BRIAN WOOD (505) 466-8120

Printed Name

brian@permitswest.com

Email Address

SURVEYOR CERTIFICATIONS

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

**ORIGINAL SURVEY BY NEAL DAVID SHEPARD
ON FILE WITH NMOCD**

Signature and Seal of Professional Surveyor

Certificate Number

1467

Date of Survey

5-22-59

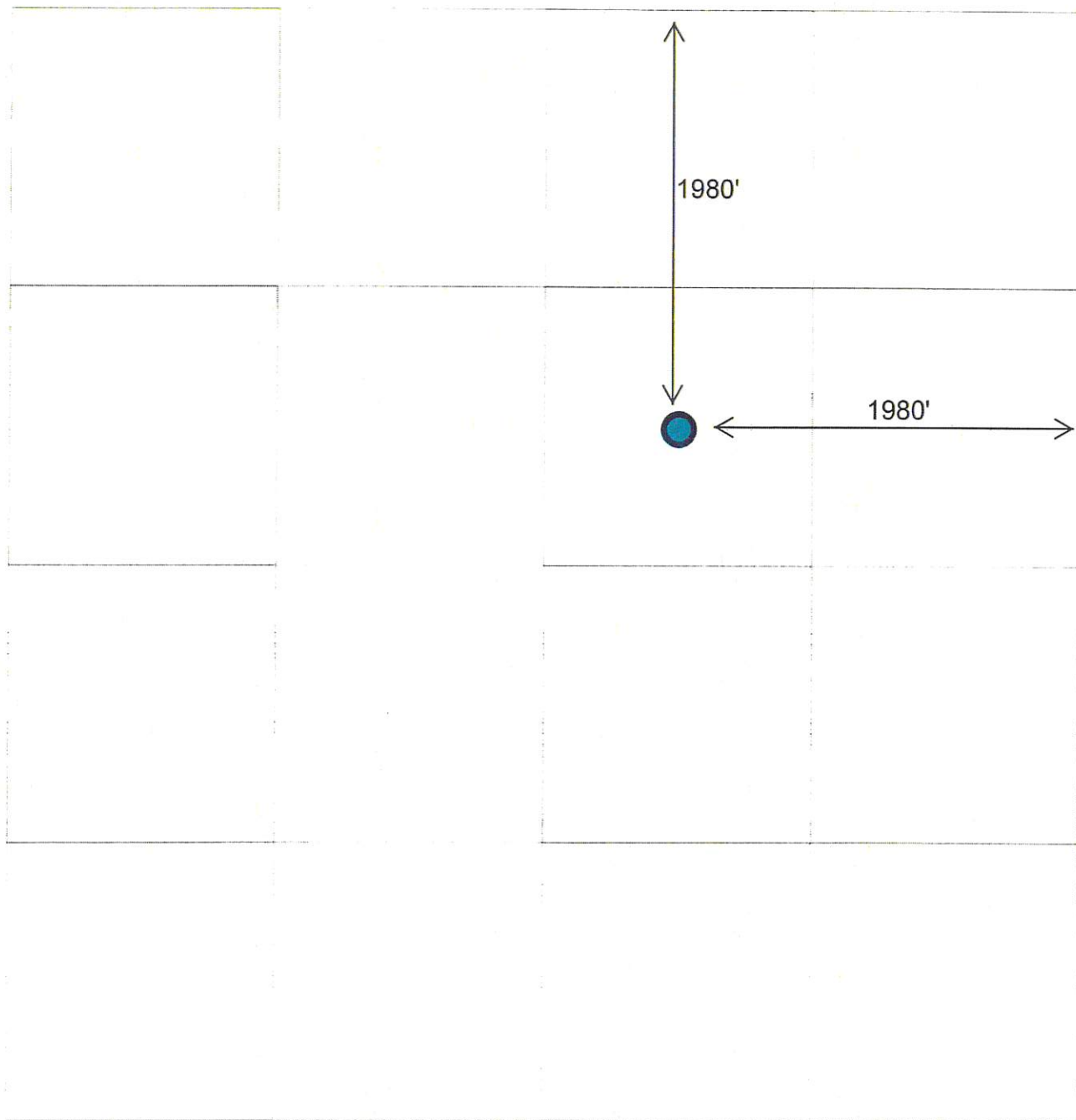
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

EXHIBIT A

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operator, dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Side 1

INJECTION WELL DATA SHEET

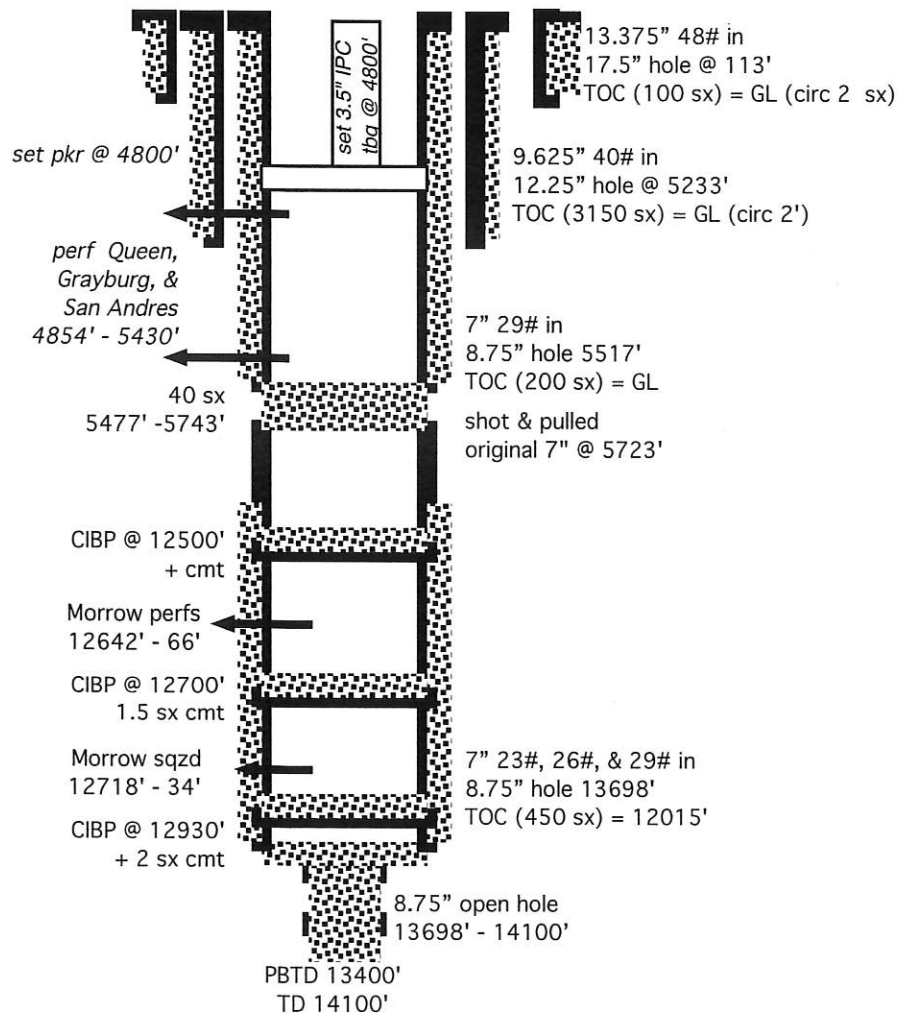
OPERATOR: AMTEX ENERGY INC.

WELL NAME & NUMBER: RECORD 2

WELL LOCATION: 1980 FNL & 1980 FEL G 35 19 S 35 E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

"Proposed"
 (not to scale)

WELL CONSTRUCTION DATASurface Casing

Hole Size: 17.5" Casing Size: 13.375"
 Cemented with: 100 sx. or ft³
 Top of Cement: GL Method Determined: CIRC. 2 SX

Intermediate Casing

Hole Size: 12.25" Casing Size: 9.625"
 Cemented with: 3150 sx. or ft³
 Top of Cement: 800', THEN TOP JOB Method Determined: CALC., THEN
 WITH 2' IN CELLAR VISUAL

Production Casing

Hole Size: 8.75" Casing Size: 7"
 Cemented with: 450 sx. or ft³
 Top of Cement: 12015' Method Determined: NO REPORT
 Total Depth: 14100'

Injection Interval
PERFORATED

4854 feet to 5424'

(Perforated or Open Hole; indicate which)

Side 1

INJECTION WELL DATA SHEET

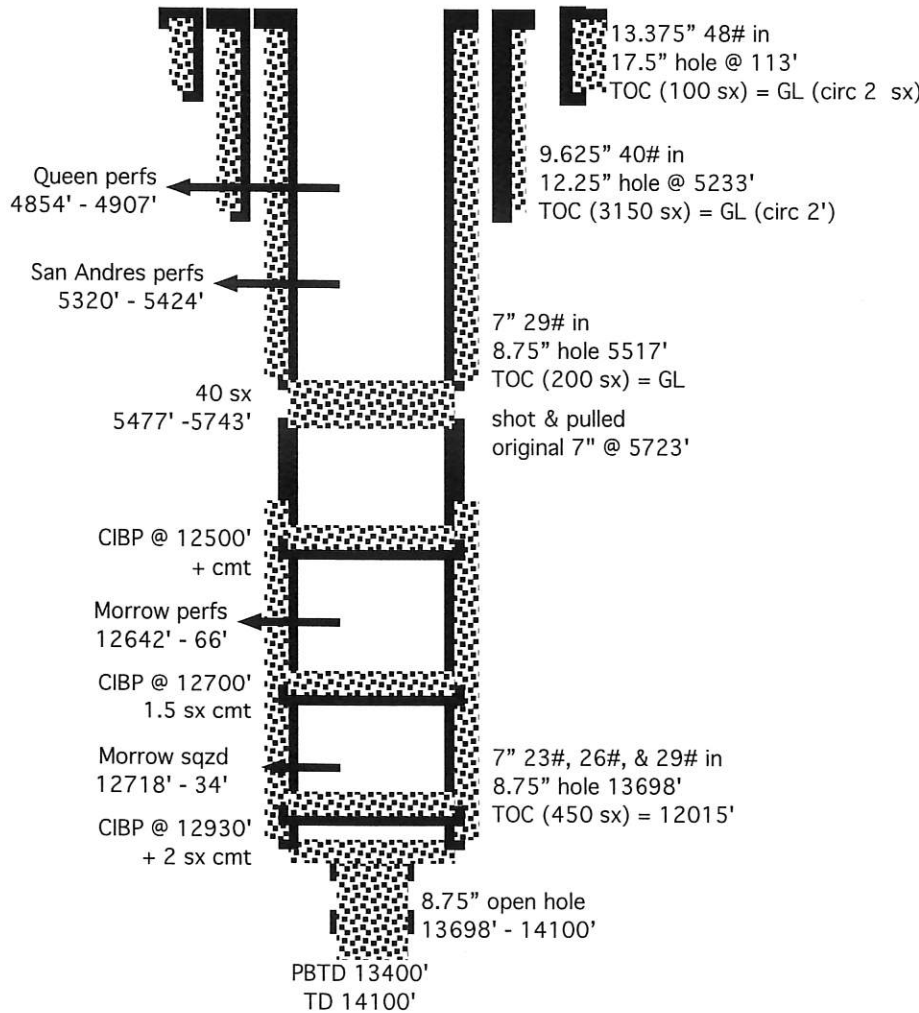
OPERATOR: AMTEX ENERGY INC.

WELL NAME & NUMBER: RECORD 2

WELL LOCATION: 1980 FNL & 1980 FEL FOOTAGE LOCATION G UNIT LETTER 35 SECTION 19 S TOWNSHIP 35 E RANGE

WELLBORE SCHEMATIC

"As Is"
(not to scale)



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17.5" Casing Size: 13.375"
Cemented with: 100 sx. or ft³
Top of Cement: GL Method Determined: CIRC. 2 SX

Intermediate Casing

Hole Size: 12.25" Casing Size: 9.625"
Cemented with: 3150 sx. or ft³
Top of Cement: 800', THEN TOP JOB WITH 2' IN CELLAR Method Determined: CALC., THEN VISUAL

Production Casing

Hole Size: 8.75" Casing Size: 7"
Cemented with: 450 sx. or ft³
Top of Cement: 12015' Method Determined: NO REPORT
Total Depth: 14100'

Injection Interval
PERFORATED

4854 feet to 5424'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3.5" Lining Material: IPC
Type of Packer: STAINLESS STEEL OR NICKEL
Packer Setting Depth: 4800'
Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes XXX No
If no, for what purpose was the well originally drilled? DEVONIAN OIL WELL

2. Name of the Injection Formation: QUEEN, GRAYBURG, & SAN ANDRES
3. Name of Field or Pool (if applicable): SWD; QUEEN - SAN ANDRES
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. YES
QUEEN 4854' - 4907' (OPEN), SAN ANDRES (5320' - 5424' (OPEN), MORROW 12642' - 12666' (BELOW CIBPS), & 12718' - 12734' BELOW CIBPS & SQZD)
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____
OVER: NONE
UNDER: BONE SPRING 7880' & MORROW 12175'

Affidavit of Publication

EXHIBIT K

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
November 13, 2025
and ending with the issue dated
November 13, 2025.



Publisher

Sworn and subscribed to before me this
13th day of November 2025.



Business Manager

My commission expires
January 29, 2027

(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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 publication has been made.

LEGAL NOTICE November 13, 2025

Amtex Energy Inc. is applying to convert the Record 2 oil well to a saltwater disposal well. The well is at 1980' FNL & 1980' FEL, Sec. 35, T. 19 S., R. 35 E., Lea County, NM. This is 9 miles west of Monument, NM. Water will be injected at a maximum pressure of 970 psi into the Queen, Grayburg, and San Andres formations from 4854' to 5424'. Maximum disposal rate will be 6,000 bwpd. Interested parties must file objections, protests, or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 or OCD.Engineer@emnrd.nm.gov within 15 days. NMOCD Engineering Bureau phone is 505 476-3441. Additional information can be obtained by contacting Brian Wood, Permits West, Inc., 5 Caliente Rd., Suite 3A, Santa Fe, NM 87508. Phone number is (505)466-8120
#00306193

02108485

00306193

BRIAN WOOD
PERMITS WEST
5 CALIENTE RD, STE 3A
SANTA FE, NM 87508-9102



November 15, 2025

TYPICAL NOTICE

Pearl Valley LP
P. O. Box 1046
Eunice, NM 88231

Amtex Energy Inc. is applying (see attached application) to convert the Record 2 oil well (30-025-03307) to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) rules, I am notifying you of the following proposed saltwater disposal well. This letter is a notice only. No action is needed unless you have questions, protests, or objections.

Well Name: Record 2 (private surface / private lease) ID = 14,100'
Proposed Disposal Zone: Queen-Grayburg-San Andres (4,854' to 5,424')
Location: 1980' FNL & 1980' FEL Sec. 35, T. 19 S., R. 35 E., Lea County, NM
Approximate Location: 9 miles west of Monument, NM
Applicant: Amtex Energy Inc. (817) 720-5225
Applicant's Address: P. O. Box 470158, Ft. Worth, TX 76147

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, protest, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. NMOCD phone number is (505) 476-3441. E-mail address is: OCD.Engineer@emnrd.nm.gov

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Wood", written over a horizontal line.

Brian Wood

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

Denver, CO 80206

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

Sent To Coterra Energy Operating, #300N
44 Cook St.
Denver CO 80206

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

Midland, TX 79706

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

Sent To Coterra Energy Operating, #300N
6001 Deauville Rd.,
Midland TX 79706

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com.

Santa Fe, NM 87504

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

Sent To NM State Land Office
P. O. Box 1148
Santa Fe NM 87504

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

Eunice, NM 88231

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

Sent To Pearl Valley LP
P. O. Box 1046
Eunice NM 88231

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

Released to Imaging: 12/5/2025 4:21:02 PM

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

EXHIBIT L

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

Midland, TX 79702

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

Sent To Rutter & Wilbanks
P. O. Box 3186
Midland TX 79702

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com.

Midland, TX 79702

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

Sent To Sirgo Brothers
P. O. Box 3186
Midland TX 79702

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com.

Houston, TX 77077

Certified Mail Fee \$5.30

0535

01

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$4.40
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$2.72

Total Postage and Fees \$12.42

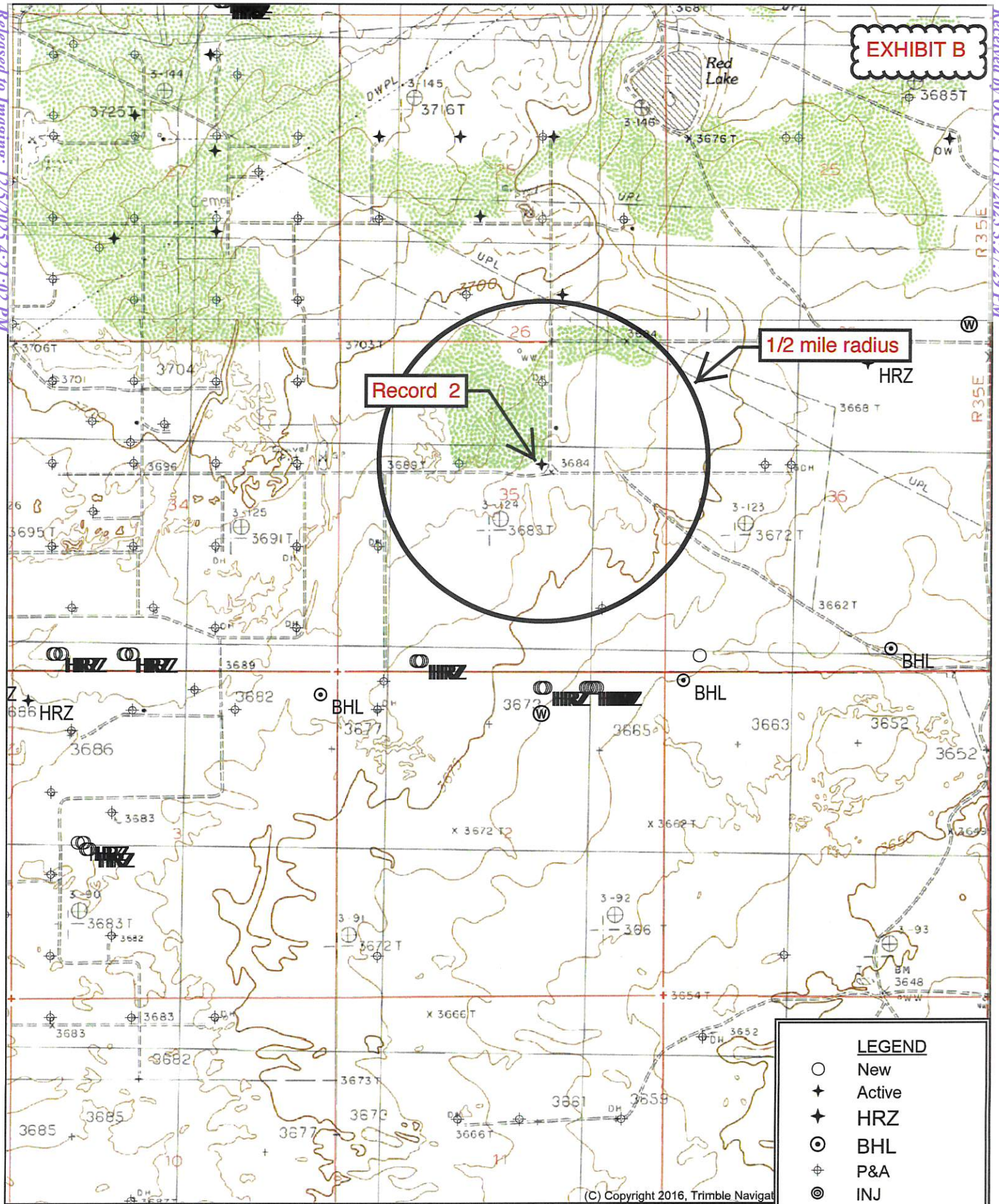
Sent To 3R Operating, LLC
20405 State Highway 249, #820
Houston TX 77077

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

EXHIBIT B



LEGEND

- New
- ★ Active
- ★ HRZ
- ⊙ BHL
- ⊕ P&A
- ⊙ INJ
- ⊙ SWD
- ⊙ Brine
- ⊙ Water



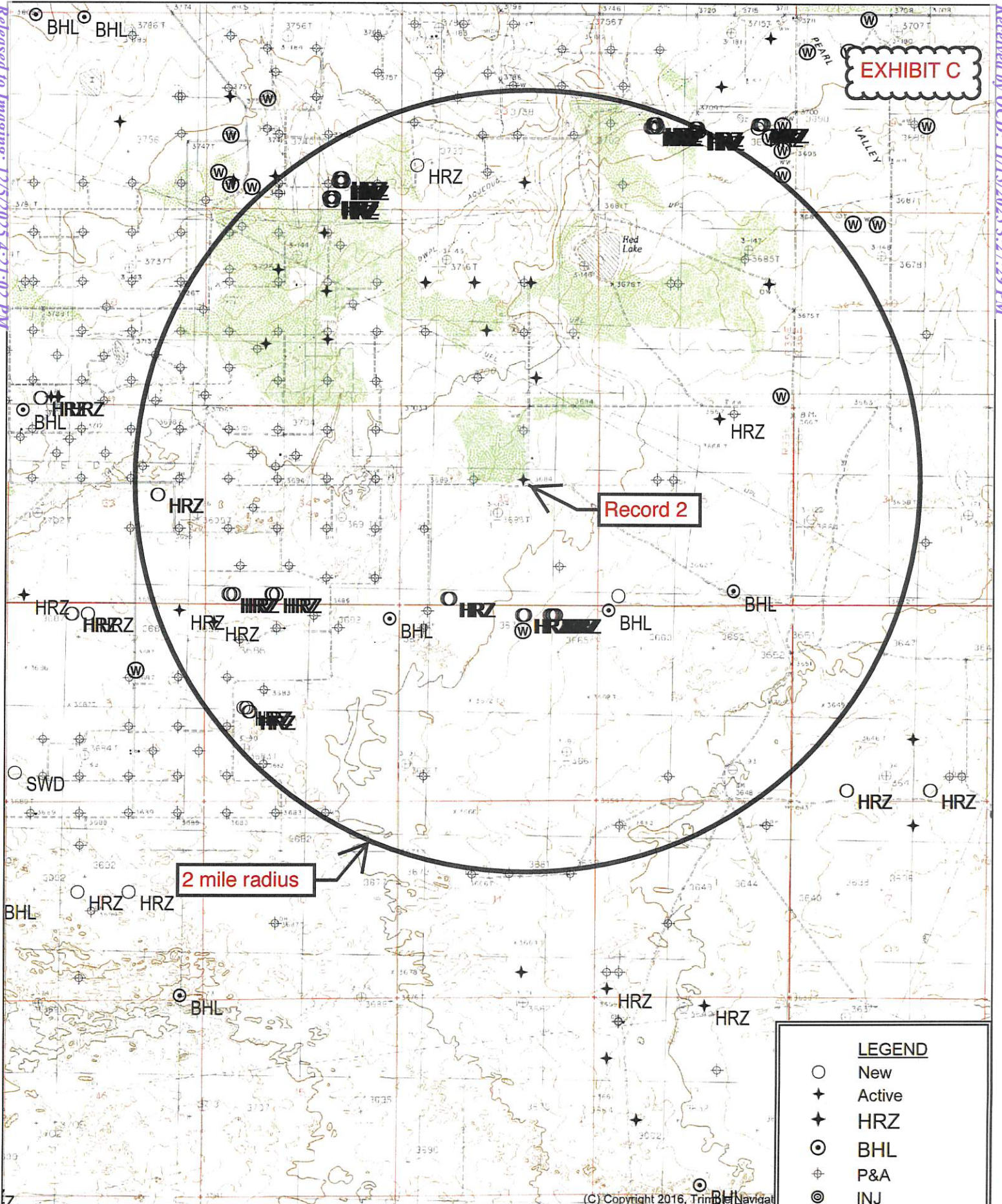
Quad: MONUMENT SW
Scale: 1 inch = 2,000 ft.

(C) Copyright 2016, Trimble Navigat

WELLS WITHIN 1/2 MILE RADIUS OF RECORD 2 - SORTED BY DISTANCE FROM RECORD 2

API	OPERATOR	WELL	STATUS	UNIT- SECTION- T19S-R35E	TVD	ZONE @ TD	FEET FROM RECORD 2
3002503309	Shell	Record 005	P&A	B-35	5500	San Andres	1200
3002503308	Shell	Record 004	P&A	F-35	5600	San Andres	1273
3002531337	Amtex	Merit Record 35 001	P&A	P-35	12950	Barnett	2513
3002539020	Amtex	Pearl 26 003	G	O-26	12950	Barnett	2759

EXHIBIT C



Record 2

2 mile radius

LEGEND

- New
- ★ Active
- ✦ HRZ
- ⊙ BHL
- ⊕ P&A
- ⊗ INJ
- ⊖ SWD
- ⊙ Brine
- ⊗ Water

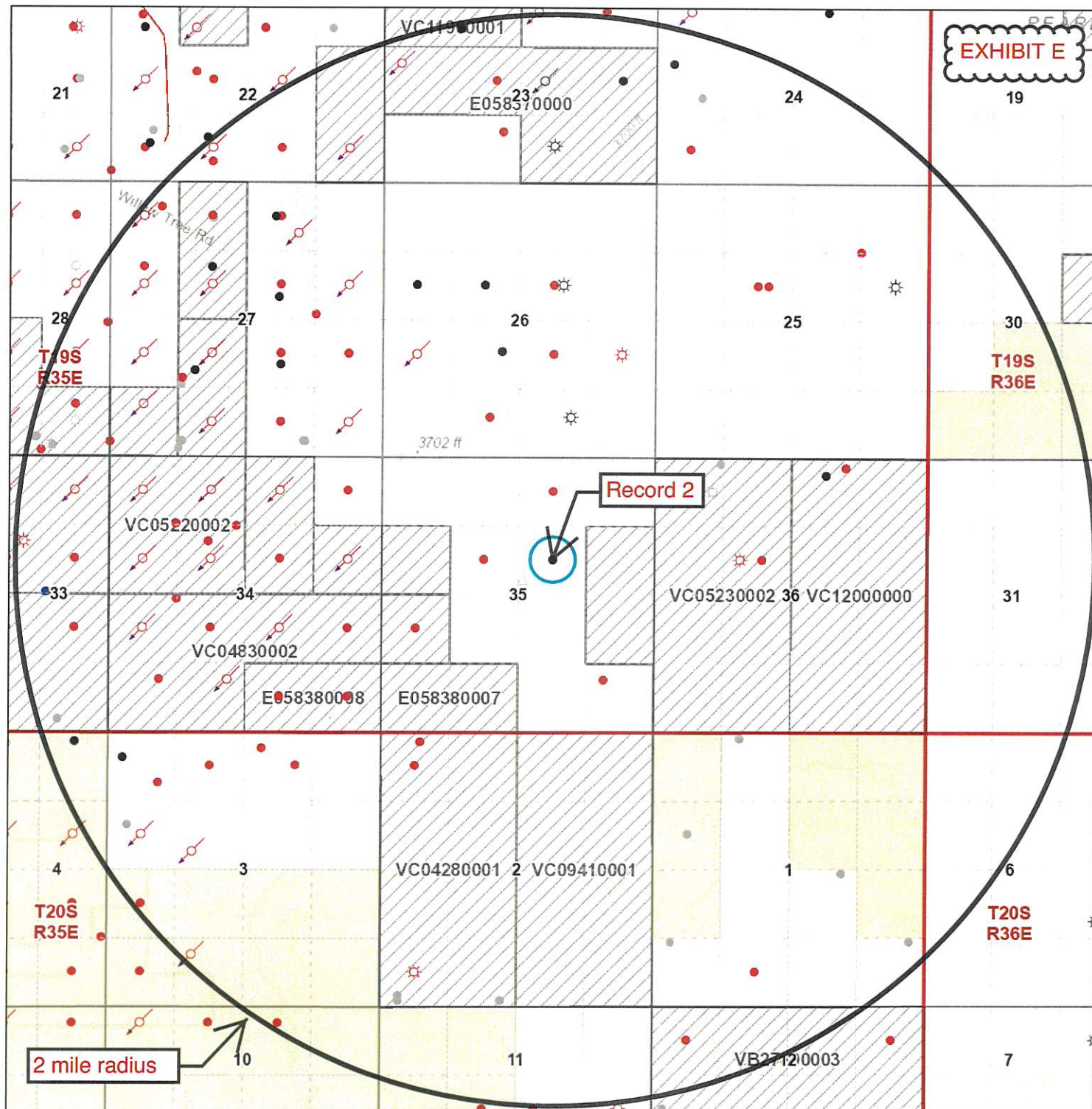


Quad: HOBBS
Scale: 1 inch = 3,333 ft.

(C) Copyright 2016, Trimble Navigation

RECORD 2 AREA OF REVIEW (1/2 MILE RADIUS) LEASES

Aliquot Parts in Area of Review (all in T. 19 S., R. 35 E.)	Lessor	Lease(s)	Lessee(s) of Record	Well Operators (zone operating)
SESW Sec. 26	fee	Chile State Com	Amtex	Coterra (Bone Spring & Wolfcamp)
SWSE Sec. 26	fee	Chile State Com & Record	Amtex	Coterra (Bone Spring & Wolfcamp) & Record (Grayburg)
SESE Sec. 26	fee	Chile State Com	Amtex	Coterra (Bone Spring & Wolfcamp)
NENE Sec. 35	fee	N/A	Amtex	N/A
NWNE Sec. 35	fee	N/A	Amtex	N/A
NENW Sec. 35	fee	N/A	Amtex	N/A
NWNW Sec. 35	fee	Record 23 26 35 State Com	Amtex	Amtex (Bone Spring)
SWNW Sec. 35	NMSLO	Record 23 26 35 State Com (E0- 5839-7)	Amtex	Amtex (Bone Spring)
SENW Sec. 35	fee	N/A		N/A
SWNE Sec. 35	fee	Record	Amtex	Amtex (Queen & San Andres)
SENW Sec. 35	NMSLO	E0-5839-7	Amtex	N/A
NESE Sec. 35	NMSLO	E0-5839-7	Amtex	N/A
NWSE Sec. 35	fee	N/A	Amtex	N/A
NESW Sec. 35	fee	N/A	Amtex	N/A
NWSW Sec. 35	NMSLO	Record 23 26 35 State Com (E0- 5839-5)	Rutter & Wilbanks and Sirgo Bros.	Amtex (Bone Spring)
SESW Sec. 35	NMSLO	Zeus 2 11 18S Federal Com (E0- 5838-7))	Amtex	3R (Bone Spring)
SWSE Sec. 35	fee	N/A	N/A	N/A
SESE Sec. 35	fee	N/A	N/A	N/A
W2NW4 & NWSW Sec. 36	NMSLO	Sun State Com (VC- 0523-0002)	Coterra	Coterra (Bone Spring & Wolfcamp)



Oil, Gas, and Minerals Leases and Wells

0 0.2 0.4 0.8
mi



New Mexico State Land Office

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Map Created: 6/22/2025



Subdivisions

Sections

Townships

County Boundaries

State Boundary

County Seats

NMOCID_Inactive

Symbology

Miscellaneous

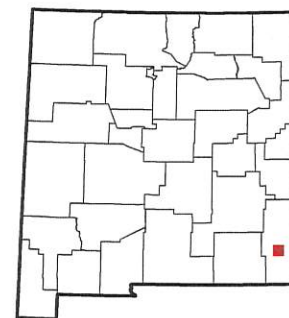
CO2 Cancelled

CO2, Plugged

CO2, Temporarily Abandoned

Gas, Cancelled

Gas, Plugged



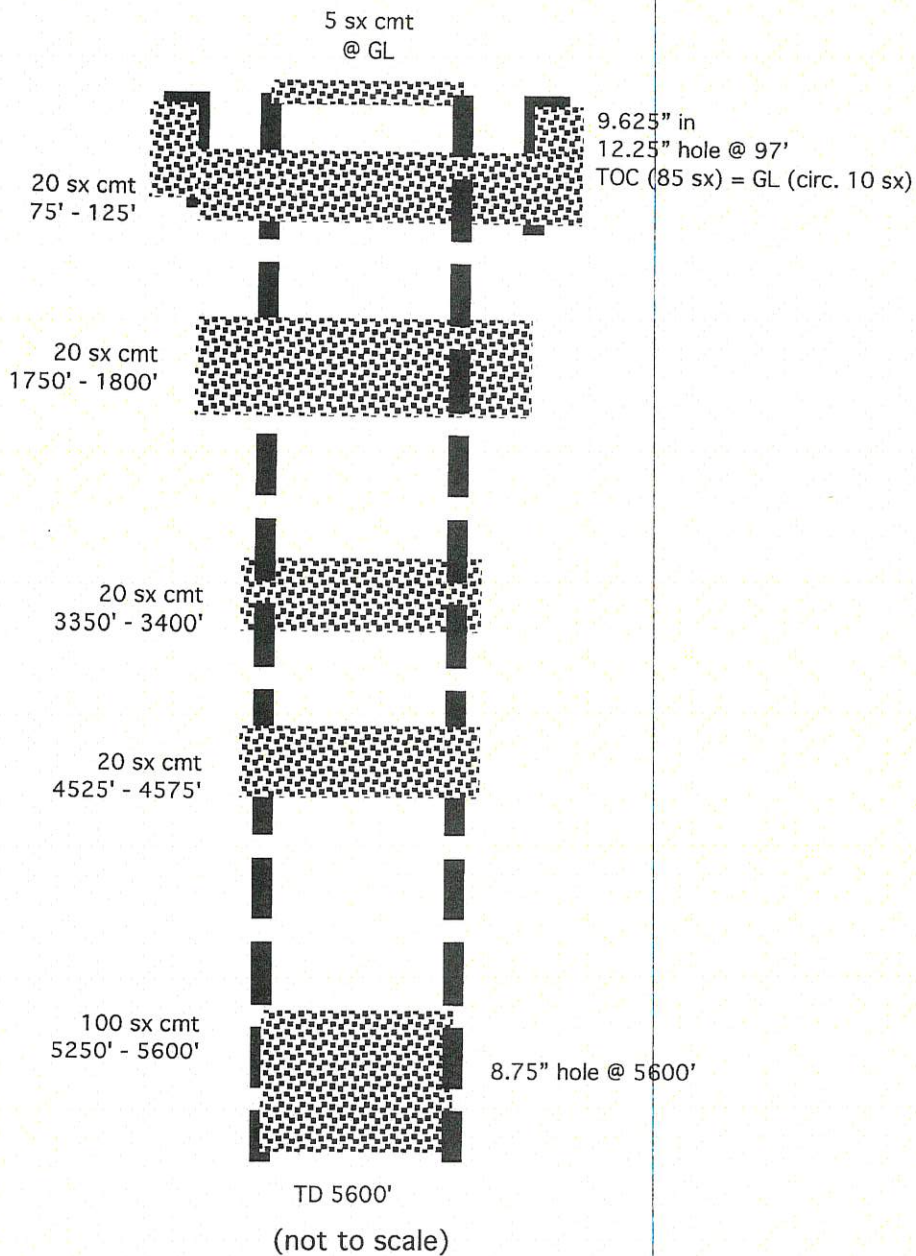
PENETRATING WELLS SORTED BY DISTANCE FROM RECORD 2

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
Record 005	10/7/60	5500	San Andres	P&A	12.25	9.625	113	85 sx	Surface	Circ 5 sx
3002503309					8.75	5.5	4940	300 sx	No report	No report
B-35-19S-35E					8.75	open hole	5500	N/A	N/A	N/A
Record 004	9/4/59	5600	San Andres	P&A	12.25	9.625	97	85 sx	Surface	Circ 10 sx
3002503308					8.75	open hole	5600	N/A	N/A	N/A
F-35-19S-35E										
Merit Record 35 001	10/2/91	12950	Barnett	P&A	17.5	13.375	512	530 sx	Surface	Circ 170 sx
3002531337					12.25	8.625	5132	2175 sx	Surface	Circ 235 sx
P-35-19S-35E					7.875	5.5	12950	625 sx	10100	CBL
Pearl 26 003	9/11/08	12950	Barnett	O	17.5	13.375	536	400 sx	Surface	Circ 108 sx
3002539020					12.75	9.625	3605	1200 sx	Surface	Circ 124 sx
O-26-19S-35E					8.75	5.5	12950	1400 sx	5913	CBL

EXHIBIT F

30-025-03308
F-35-19s-35e
Shell's Record 4
spud 9-4-59
P&A 9-25-59

EXHIBIT F



30-025-03309
B-35-19s-35e
Shell's Record 5
spud 10-7-60
P&A 2-17-61

EXHIBIT F

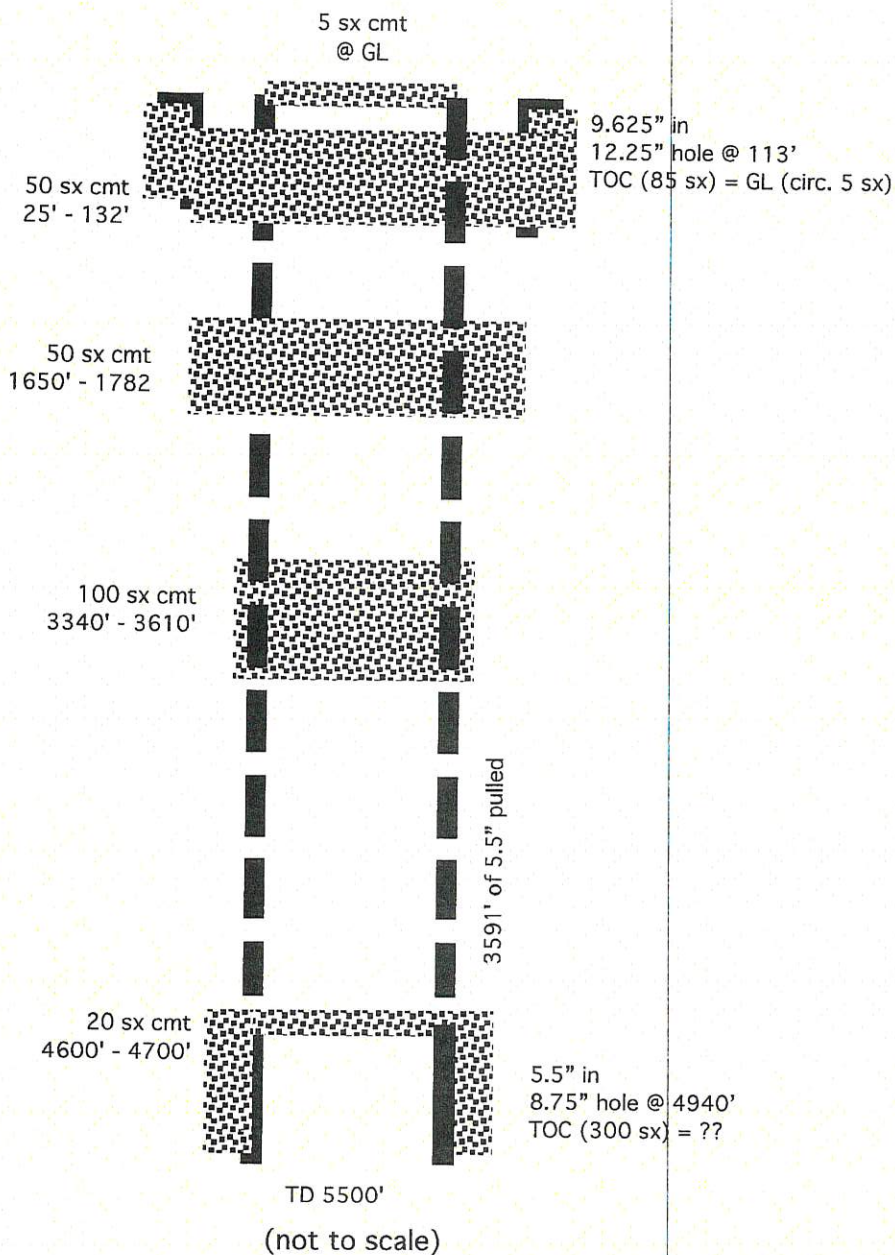
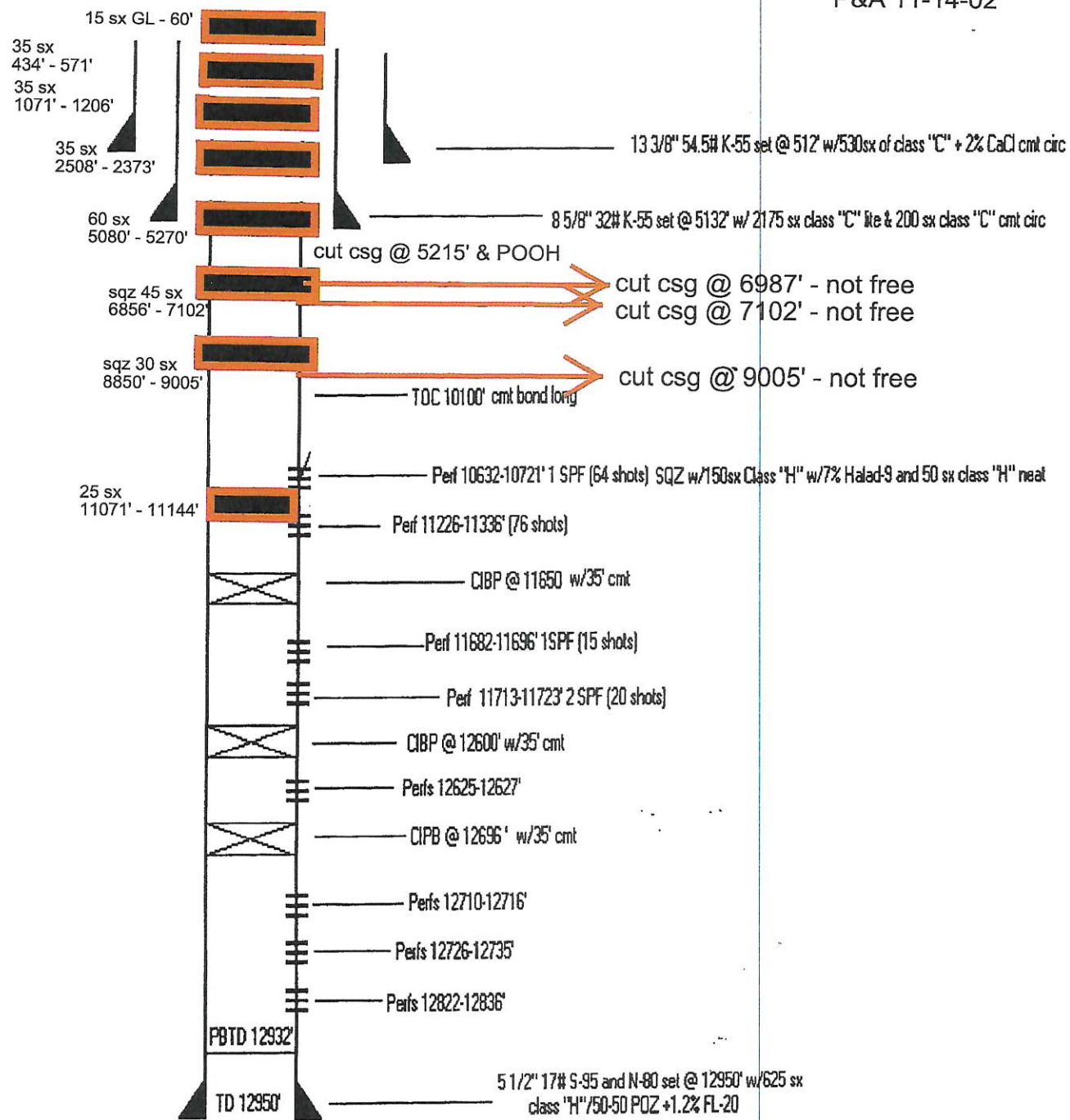


EXHIBIT F

30-025-31337

OPERATOR: Amtex Energy Inc.	NAME OF LEASE: Merrit Record 35	WELL: No. 1	
LOCATION: 990' FSL and 990' FEL Sec. 35, T-19S, R-35E Lea County, New Mexico			spud 10-2-91 P&A 11-14-02

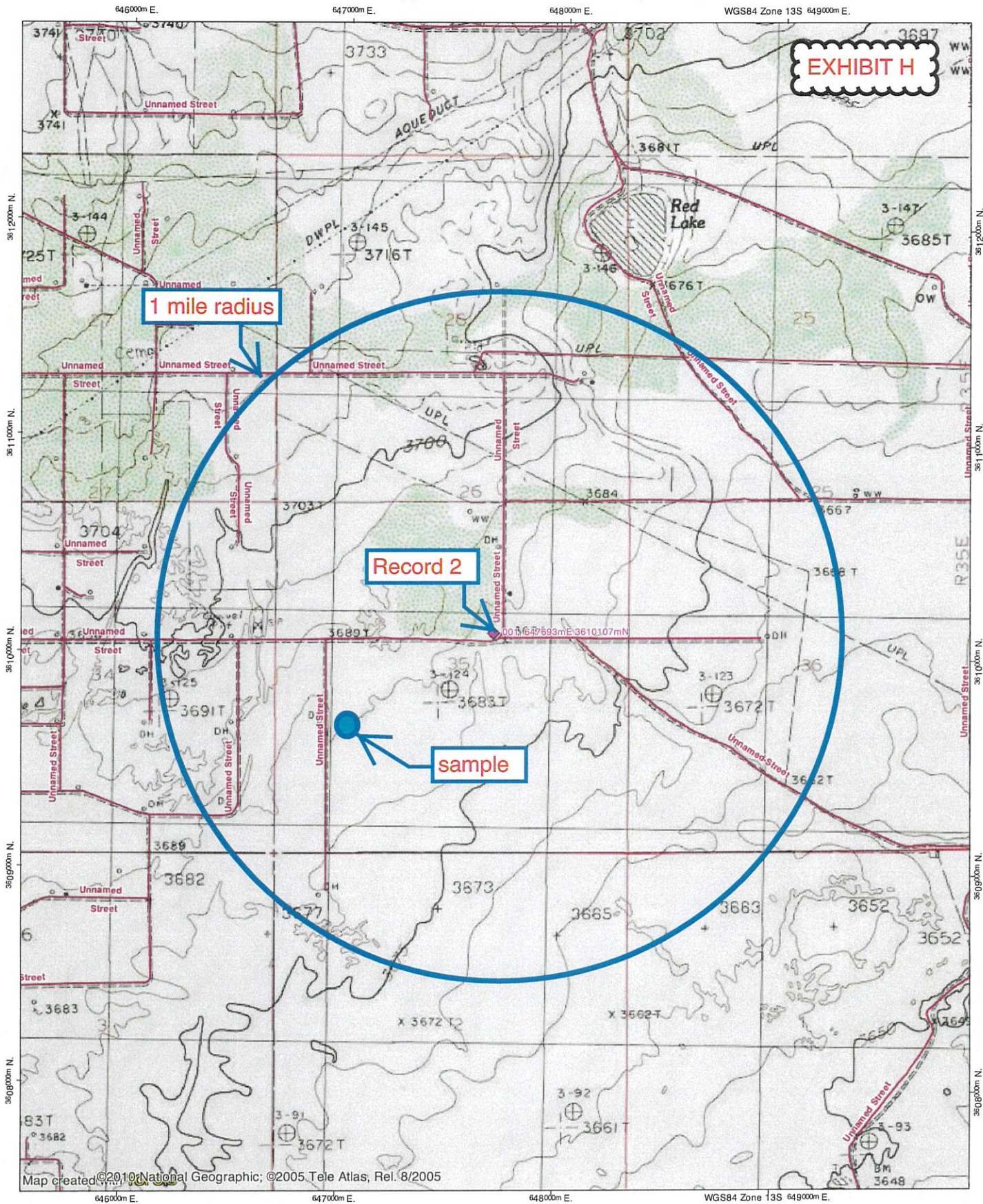


CONSTITUENTS IN MG/L

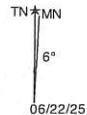
API	T. 19 S., R. 35 E., SECTION	FORMATION	TDS	CHLORIDE	CARBONATE	SULFATE
3002503163	15	ARTESIA	311153	193100	564	747
3002503189	22	ARTESIA	302747	188000	215	1140
3002503212	27	ARTESIA	242504	150400	563	1492
3002503229	28	ARTESIA	240799	149200	352	711
3002503247	29	ARTESIA	250156	154900	65	1432
3002503247	29	ARTESIA	243283	151500	141	940
3002503244	29	ARTESIA	238283	148500	106	372
3002503244	29	ARTESIA	238553	148800	106	372
3002503248	29	ARTESIA	237684	149500	35	257
3002503241	29	ARTESIA	242263	152100	71	350
3002503241	29	ARTESIA	241833	151700	71	350
3002503242	29	ARTESIA	242146	151100	53	372
3002503284	33	ARTESIA	219950	138000	38	418
3002503304	34	ARTESIA	221538	137500	225	971
3002503156	6	BONE SPRING	25800	14100	830	1120
3002503156	6	BONE SPRING	53622	30550	1123	2280
3002503156	6	BONE SPRING	195200	118000	220	1030
3002503229	28	PENROSE		149248	352	711
3002503247	29	QUEEN		151575	141	940
3002503247	29	QUEEN		154968	65	1432
3002503248	29	QUEEN		149504	35	257
3002503284	33	QUEEN		138040	38	418
3002503307	35	SAN ANDRES	66415	39600	313	993
3002503307	35	SAN ANDRES	73409	43880	450	865

EXHIBIT G

TOPO! map printed on 06/22/25 from "Untitled.tpo"



Map created ©2019 National Geographic; ©2005 Tele Atlas, Rel. 8/2005



06/22/25



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

EXHIBIT H

(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 smallest to largest)

POD Number	Code	Sub basin	County	Q64	Q16	Q4	Sec	Tws	Range	X	Y	Map	(meters)	(In feet)		
													Distance	Well Depth	Depth Water	Water Column
L 04116 S		L	LE		NW	NE	02	20S	35E	647710.0	3608881.0 *	●	1226	55	50	5
L 08124		L	LE	SE	SE	SE	25	19S	35E	649795.0	3610833.0 *	●	2223	125	58	67

Average Depth to Water: 54 feet

Minimum Depth: 50 feet

Maximum Depth: 58 feet

Record Count: 2

Basin/County Search:

County: LE

UTM Filters (in meters):

Easting: 647693

Northing: 3610107

Radius: 003220

* 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.

ANALYTICAL REPORT

PREPARED FOR

Attn: Brian Wood
Permits West Inc
37 Verano Loop
Santa Fe, New Mexico 87508

Generated 7/3/2025 9:20:11 AM

JOB DESCRIPTION

Record

JOB NUMBER

885-27595-1

Eurofins Albuquerque

EXHIBIT I

Job Notes

The test results in this report relate only to the samples as received by the laboratory and will meet all requirements of the methodology, with any exceptions noted. This report shall not be reproduced except in full, without the express written approval of the laboratory. All questions should be directed to the Eurofins Environment Testing South Central, LLC Project Manager.

Authorization



Authorized for release by
Cheyenne Cason, Project Manager
cheyenne.cason@et.eurofinsus.com
(505)338-8812

Generated
7/3/2025 9:20:11 AM



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Chain of Custody	12
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Definitions/Glossary

Client: Permits West Inc
Project/Site: Record



Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
☼	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CFL	Contains Free Liquid
CFU	Colony Forming Unit
CNF	Contains No Free Liquid
DER	Duplicate Error Ratio (normalized absolute difference)
Dil Fac	Dilution Factor
DL	Detection Limit (DoD/DOE)
DL, RA, RE, IN	Indicates a Dilution, Re-analysis, Re-extraction, or additional Initial metals/anion analysis of the sample
DLC	Decision Level Concentration (Radiochemistry)
EDL	Estimated Detection Limit (Dioxin)
LOD	Limit of Detection (DoD/DOE)
LOQ	Limit of Quantitation (DoD/DOE)
MCL	EPA recommended "Maximum Contaminant Level"
MDA	Minimum Detectable Activity (Radiochemistry)
MDC	Minimum Detectable Concentration (Radiochemistry)
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
MPN	Most Probable Number
MQL	Method Quantitation Limit
NC	Not Calculated
ND	Not Detected at the reporting limit (or MDL or EDL if shown)
NEG	Negative / Absent
POS	Positive / Present
PQL	Practical Quantitation Limit
PRES	Presumptive
QC	Quality Control
RER	Relative Error Ratio (Radiochemistry)
RL	Reporting Limit or Requested Limit (Radiochemistry)
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)
TNTC	Too Numerous To Count

Case Narrative

Client: Permits West Inc
Project: Record

Job

EXHIBIT I**Job ID: 885-27595-1****Eurofins Albuquerque**

Job Narrative 885-27595-1

Analytical test results meet all requirements of the associated regulatory program listed on the Accreditation/Certification Summary Page unless otherwise noted under the individual analysis. Data qualifiers and/or narrative comments are included to explain any exceptions, if applicable.

- Matrix QC may not be reported if insufficient sample is provided or site-specific QC samples were not submitted. In these situations, to demonstrate precision and accuracy at a batch level, a LCS/LCSD may be performed, unless otherwise specified in the method.
- Surrogate and/or isotope dilution analyte recoveries (if applicable) which are outside of the QC window are confirmed unless attributed to a dilution or otherwise noted in the narrative.

Regulated compliance samples (e.g. SDWA, NPDES) must comply with the associated agency requirements/permits.

Receipt

The sample was received on 6/26/2025 10:33 AM. Unless otherwise noted below, the sample arrived in good condition, and, where required, properly preserved and on ice. The temperature of the cooler at receipt time was 4.8°C.

Receipt Exceptions

The Field Sampler was not listed on the Chain of Custody.

HPLC/IC

No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

General Chemistry

No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

Eurofins Albuquerque

Client Sample Results



Client: Permits West Inc
Project/Site: Record

Client Sample ID: Record
Date Collected: 06/24/25 13:00
Date Received: 06/26/25 10:33

Lab Sample ID: 885-27595-1
Matrix: Water

Method: EPA 300.0 - Anions, Ion Chromatography

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	380		10	mg/L			06/28/25 09:22	20

General Chemistry

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
HEM (Oil & Grease) (1664B)	ND		9.0	mg/L			06/30/25 09:46	1
Total Dissolved Solids (SM 2540C)	1300		50	mg/L			06/30/25 11:22	1

QC Sample Results

Client: Permits West Inc
Project/Site: Record



Method: 300.0 - Anions, Ion Chromatography

Lab Sample ID: MB 885-29194/4

Matrix: Water

Analysis Batch: 29194

Client Sample ID: Method Blank

Prep Type: Total/NA

Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	ND		0.50	mg/L			06/28/25 07:47	1

Lab Sample ID: LCS 885-29194/5

Matrix: Water

Analysis Batch: 29194

Client Sample ID: Lab Control Sample

Prep Type: Total/NA

Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits
Chloride	5.00	4.84		mg/L		97	90 - 110

Lab Sample ID: MRL 885-29194/3

Matrix: Water

Analysis Batch: 29194

Client Sample ID: Lab Control Sample

Prep Type: Total/NA

Analyte	Spike Added	MRL Result	MRL Qualifier	Unit	D	%Rec	%Rec Limits
Chloride	0.500	0.529		mg/L		106	50 - 150

Method: 1664B - HEM and SGT-HEM

Lab Sample ID: MB 885-29254/1

Matrix: Water

Analysis Batch: 29254

Client Sample ID: Method Blank

Prep Type: Total/NA

Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
HEM (Oil & Grease)	ND		9.0	mg/L			06/30/25 09:46	1

Lab Sample ID: LCS 885-29254/2

Matrix: Water

Analysis Batch: 29254

Client Sample ID: Lab Control Sample

Prep Type: Total/NA

Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits
HEM (Oil & Grease)	40.0	40.4		mg/L		101	78 - 114

Lab Sample ID: LCSD 885-29254/3

Matrix: Water

Analysis Batch: 29254

Client Sample ID: Lab Control Sample Dup

Prep Type: Total/NA

Analyte	Spike Added	LCSD Result	LCSD Qualifier	Unit	D	%Rec	%Rec Limits	RPD	RPD Limit
HEM (Oil & Grease)	40.0	39.2		mg/L		98	78 - 114	3	20

Method: 2540C - Solids, Total Dissolved (TDS)

Lab Sample ID: MB 885-29268/1

Matrix: Water

Analysis Batch: 29268

Client Sample ID: Method Blank

Prep Type: Total/NA

Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Total Dissolved Solids	ND		50	mg/L			06/30/25 11:22	1

Eurofins Albuquerque

QC Sample Results



Client: Permits West Inc
Project/Site: Record

Method: 2540C - Solids, Total Dissolved (TDS) (Continued)

Lab Sample ID: LCS 885-29268/2
Matrix: Water
Analysis Batch: 29268

Client Sample ID: Lab Control Sample
Prep Type: Total/NA

Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits
Total Dissolved Solids	1000	992		mg/L		99	80 - 120

QC Association Summary

Client: Permits West Inc
Project/Site: Record



HPLC/IC

Analysis Batch: 29194

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-27595-1	Record	Total/NA	Water	300.0	
MB 885-29194/4	Method Blank	Total/NA	Water	300.0	
LCS 885-29194/5	Lab Control Sample	Total/NA	Water	300.0	
MRL 885-29194/3	Lab Control Sample	Total/NA	Water	300.0	

General Chemistry

Analysis Batch: 29254

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-27595-1	Record	Total/NA	Water	1664B	
MB 885-29254/1	Method Blank	Total/NA	Water	1664B	
LCS 885-29254/2	Lab Control Sample	Total/NA	Water	1664B	
LCSD 885-29254/3	Lab Control Sample Dup	Total/NA	Water	1664B	

Analysis Batch: 29268

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-27595-1	Record	Total/NA	Water	2540C	
MB 885-29268/1	Method Blank	Total/NA	Water	2540C	
LCS 885-29268/2	Lab Control Sample	Total/NA	Water	2540C	

Lab Chronicle

Client: Permits West Inc
Project/Site: Record



Client Sample ID: Record
Date Collected: 06/24/25 13:00
Date Received: 06/26/25 10:33

Lab Sample ID: 885-27595-1
Matrix: Water

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Analyst	Lab	Prepared or Analyzed
Total/NA	Analysis	300.0		20	29194	RC	EET ALB	06/28/25 09:22
Total/NA	Analysis	1664B		1	29254	SS	EET ALB	06/30/25 09:46
Total/NA	Analysis	2540C		1	29268	HR	EET ALB	06/30/25 11:22

Laboratory References:
EET ALB = Eurofins Albuquerque, 4901 Hawkins NE, Albuquerque, NM 87109, TEL (505)345-3975

Accreditation/Certification Summary



95-1

Client: Permits West Inc
Project/Site: Record

Laboratory: Eurofins Albuquerque

Unless otherwise noted, all analytes for this laboratory were covered under each accreditation/certification below.

Authority	Program	Identification Number	Expiration Date
New Mexico	State	NM9425, NM0901	02-27-26
The following analytes are included in this report, but the laboratory is not certified by the governing authority. This list may include analytes for which the agency does not offer certification.			
Analysis Method	Prep Method	Matrix	Analyte
1664B		Water	HEM (Oil & Grease)
2540C		Water	Total Dissolved Solids
300.0		Water	Chloride
Oregon	NELAP	NM100001	02-26-26

Login Sample Receipt Checklist



Client: Permits West Inc

Job Number: 885-27595-1

Login Number: 27595

List Number: 1

Creator: McQuiston, Steven

List Source: Eurofins Albuquerque

Question	Answer	Comment
The cooler's custody seal, if present, is intact.	True	
Sample custody seals, if present, are intact.	True	
The cooler or samples do not appear to have been compromised or tampered with.	True	
Samples were received on ice.	True	
Cooler Temperature is acceptable.	True	
Cooler Temperature is recorded.	True	
COC is present.	True	
COC is filled out in ink and legible.	True	
COC is filled out with all pertinent information.	True	
Is the Field Sampler's name present on COC?	False	Refer to Job Narrative for details.
There are no discrepancies between the containers received and the COC.	True	
Samples are received within Holding Time (excluding tests with immediate HTs)	True	
Sample containers have legible labels.	True	
Containers are not broken or leaking.	True	
Sample collection date/times are provided.	True	
Appropriate sample containers are used.	True	
Sample bottles are completely filled.	True	
Sample Preservation Verified.	N/A	
There is sufficient vol. for all requested analyses, incl. any requested MS/MSDs	True	
Containers requiring zero headspace have no headspace or bubble is <6mm (1/4").	True	
TCEQ Mtd 1005 soil sample was frozen/delivered for prep within 48H of sampling.	N/A	



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

Re: Geology Statement
Amtex Energy Inc.
Record #2
Section 35, T. 19S, R. 35E
Lea County, New Mexico

To whom it may concern:

Publicly available geologic and engineering data related to the proposed well have been thoroughly reviewed, and no evidence for open faults or any other hydrologic connection between the proposed Queen, Grayburg and San Andres injection zone and any underground sources of drinking water has been found. Please see the attached assessment for additional information.

Sincerely,

Cory Walk
Geologist



Seismic Risk Assessment

Amtex Energy Inc.

Record No. 2

Section 35, Township 19 South, Range 35 East

Lea County, New Mexico

Cory Walk, M.S.

A handwritten signature in black ink that reads "Cory Walk". The signature is written in a cursive style.

Geologist

Permits West Inc.

November 13, 2025

EXHIBIT J

GENERAL INFORMATION

Record #2 is located in the NE 1/4, section 35, T.19S, R.35E, about 9 miles west of Monument, NM in the Permian Basin. Amtex Energy Inc. proposes to dispose produced water within the Queen, Grayburg and San Andres from 4,854'-5,424' below ground surface. This report assesses any potential concerns relating to induced seismicity along deep penetrating basement-rooted faults or the connection between the injection zone and known underground potable water sources.

SEISMIC RISK ASSESSMENT

Historical Seismicity

Searching the USGS earthquake catalog resulted in no (0) earthquakes above a magnitude 2.5 within 6 miles (9.7 km) of the proposed disposal site since 1970 (Fig. 1). The nearest earthquake above a magnitude 2.5 occurred on October 21, 2025, about 7.3 miles (11.8 km) south of the proposed SWD site and had a magnitude of 2.7.

Basement Faults and Subsurface Conditions

A structure contour map (Fig. 1) of the Precambrian basement shows Record #2 is approximately 2.5 miles (4.0 km) from the nearest basement-rooted fault interpreted by an unidentified oil and gas operator using proprietary 3D Seismic data and published by Horne et al (2021).

Snee and Zoback (2018) state, "In the western part of Eddy County, New Mexico, S_{Hmax} is ~north-south (consistent with the state of stress in the Rio Grande Rift; Zoback and Zoback, 1980) but rotates to ~east-northeast-west-southwest in southern Lea County, New Mexico and the northernmost parts of Culberson and Reeves counties, Texas." **Around the Record #2 site, Snee and Zoback indicate a S_{Hmax} direction of N060°E and an A_p of 0.65, indicating an extensional (normal) stress regime.**

Induced seismicity is a growing concern of deep SWD wells. Snee and Zoback (2018) show that due to its orientation, the nearest Precambrian fault has a low probability of slipping (Fig. 2). Also, the proposed injection zone is much shallower in the Queen, Grayburg and San Andres formations and therefore would not affect the deep-rooted Precambrian faults. Seismic data shows that the deep-rooted Precambrian faults do not penetrate anything above the Bone Spring Formation.

GROUNDWATER SOURCES

Three principal aquifers are used for potable groundwater in southern Lea County; these geologic units include the Triassic Santa Rosa formation, Tertiary Ogallala formation, and Quaternary alluvium. Nicholson and Clebsch (1961) state, "Potable ground water is not available below the Permian and Triassic unconformity but, because this boundary is not easily defined, the top of the Rustler anhydrite formation is regarded as the effective lower limit of 'potable' ground water." Around the Record #2 well, the top of the Rustler Formation lies at an estimated depth of 1,765' bgs.

EXHIBIT J**VERTICAL MIGRATION OF FLUIDS**

OCD well records show 420' of shale, chert, and dolomite separate the injection zone from the top of the Bone Spring Formation that would prevent injected water from migrating into producing Bone Spring zones and deep-rooted Precambrian faults below. Data presented in Ruppel (2009) indicates the Precambrian basement lies at a depth of approximately 15,990' in this area. Therefore, the injection zone lies approximately 10,565' above the Precambrian basement and approximately 3,090' below the previously stated lower limit of potable water at the top of the Rustler formation.

CONCLUDING STATEMENTS

After examination of publicly available geologic and engineering data, there is no evidence of open faults or any other hydrologic connection between the disposal zone and any subsurface potable water sources. The shallow injection zone and orientation of nearby faults also remove any major concern of inducing seismic activity.

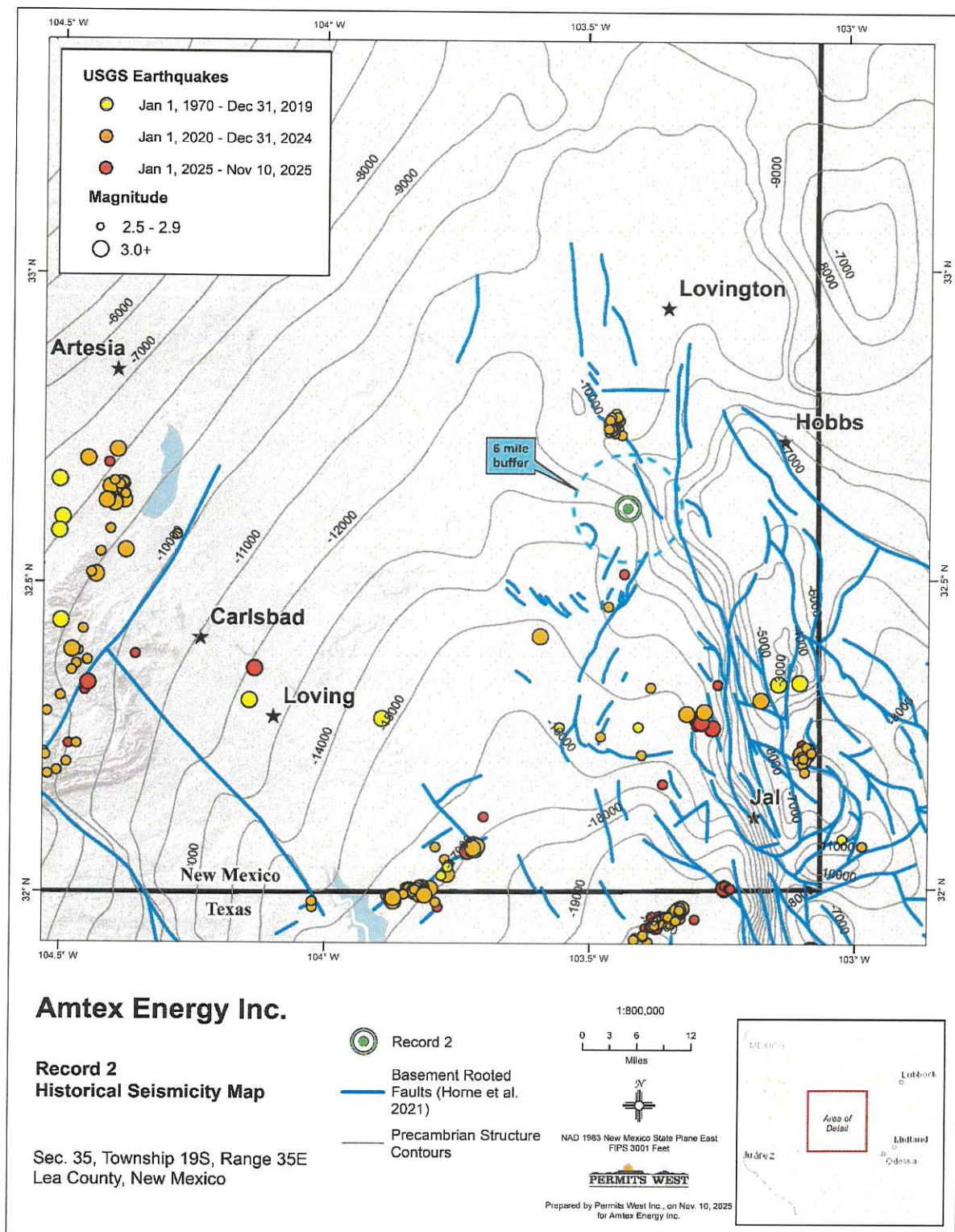


Figure 1. Structural contour map of the Precambrian basement in feet below sea level. Blue lines represent the locations of Precambrian basement-rooted faults (Horne et al., 2021). Record #2 well lies ~2.5 miles southwest of the closest deeply penetrating fault and 7.3 miles north from the closest historic earthquake with a magnitude >2.5.

EXHIBIT J

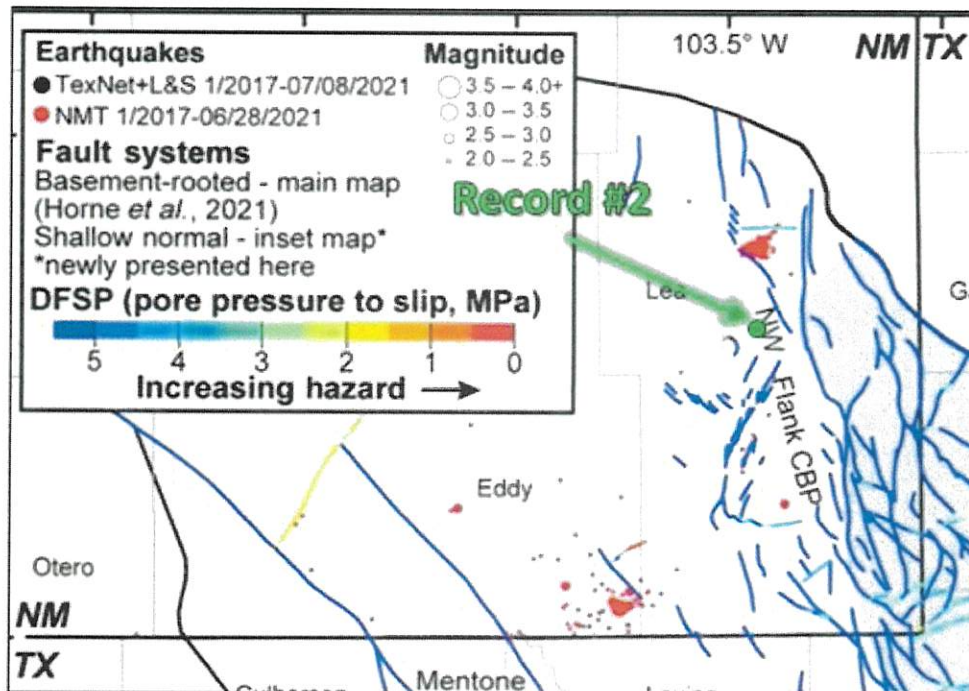


Figure 2. Modified from Hennings *et. al.* (2021) and shows an increased pore pressure to slip on the nearby faults which decreases the hazard potential. The proposed injection zone is shallower in the Queen, Grayburg, and San Andres Formations and therefore removes any major concern of inducing seismicity on any known basement-rooted fault.

EXHIBIT J**References Cited**

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- Ruppel, S.C., 2009, Integrated synthesis of the Permian basin: data and models for recovering existing and undiscovered oil resources from the largest oil-bearing basin: U.S. Oil & Natural Gas Technology, Bureau Economic Geology, The University of Texas at Austin, p. 1-959.
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- I. Goal is to convert a 5477' PBSD Pearl; San Andres oil well to a saltwater disposal well. Proposed disposal interval will be 4854' – 5424' in the SWD; Queen-San Andres (97508). See Exhibit A for C-102 and map. The well is on private surface and private minerals.

The well was spudded in 1959 and drilled to 14,100' in the Devonian. The Devonian had no shows. The well was plugged back and completed in the Morrow. In 1967 the well was plugged back a second time and the well completed in the San Andres. The Queen was added to the producing interval in 2010. The well produced <2 bopd and 31 bwpd in the first 4 months of 2025.

- II. Operator: Amtex Energy Inc. [OGRID 785]
Operator phone number: (817) 720-5225
Operator address: P. O. Box 470158, Ft. Worth, TX 76147
Contact for Application: Brian Wood (Permits West, Inc.)
Phone: (505) 466-8120

- III. A. (1) Lease name: Record (fee)
Lease area: SWNE Sec. 35, T. 19 S., R. 35 E. et al
Well name and number: Record 2
Location: 1980' FNL & 1980' FEL Section 35, T. 19 S., R. 35 E.

- A. (2) Surface casing (13.375", 48#, H-40, ST&C) is set at 113' in a 17.5" hole and cemented with 100 sacks to GL. Circulated 2 sacks.

Intermediate casing (9.625", 40#, J-55 and N-80, ST&C and LT&C) is set at 5,233' in a 12.25" hole. Initial cement job of 2500 sacks did not circulate (calculated TOC = 800'). First top job of 400 sacks did not circulate. Second job of 250 sacks left 2' of cement in the cellar.

Production casing (7", 23#, 26#, & 29" N&P) was set at 13,698' in an 8.75" hole and cemented with 450 sacks to 12,015'. How the top was determined was not reported. After seven drill stem tests (San

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Andres, Delaware, Bone Spring, Morrow, and Devonian), a 150-sack plug was set from 14,100' to 13,400'. A CIBP was set at 12,930', topped with 2 sacks cement, and the well was completed in the Morrow (12,642' – 12,666').

In 1967, a CIBP was set at 12,500' and capped with an unreported amount of cement. Production string was cut at 5743' and pulled. A 40-sack plug was set at 5743'.

Seven-inch (29#, N-80) was set at 5517' and cemented with 200 sacks to GL. How the top was determined was not reported. Well was completed in the San Andres (5320' – 5424'). Queen was perforated (4854' – 4907') in 2010.

- A. (3) An IPC 3.5" injection string will be run from GL to 4800'. (Disposal interval will be 4854' to 5430'.)
- A. (4) A stainless-steel or nickel packer will be set at 4800'. (Top of the injection interval will be 4854'.)
- B. (1) Disposal zones will be the Queen, Grayburg, and San Andres (SWD; Queen – San Andres (97508) pool).
- B. (2) Disposal interval will be perforated casing from 4854' to 5424'.
- B. (3) Well was drilled as a Devonian oil well.
- B. (4) Perforated intervals in the well are:
 - Queen: 4854' – 4907' (open)
 - San Andres: 5320' – 5424' (open)
 - Morrow: 12642' – 12666' (isolated below 2 CIBPs)
 - Morrow: 12718' – 12734' (isolated below 3 CIBPs & squeezed with 20 sacks)
- B. (5) There has been no production in the area of review above the Queen. Producing zones in the area of review and below the San Andres are

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the Bone Spring and Morrow. Closest (5903' northwest) Queen producer is Amtex's Record 5 (30-025-24949) in E-26-19s-35e. Closest (4130' northwest) San Andres producer is Amtex's Record 1 (30-025-31775) in K-26-19s-35e.

IV. This is not an expansion of an existing injection project. It is disposal only.

V. Exhibit B shows and tabulates the 3 existing wells within a half-mile radius. All three are P&A. Exhibit C shows all 237 existing or approved wells (145 oil or gas + 90 P&A + 2 water) within a two-mile radius.

All leases within a half-mile radius are fee or NMSLO. Exhibit D shows and tabulates all leases within a half-mile radius. Two-mile radius leases are BLM, fee, or NMSLO (Exhibit E).

VI. Three Queen - San Andres penetrators are within a half mile (Exhibit F). A fourth penetrator is 119' beyond a half mile. The three closest are P&A. See Exhibit F for diagrams of the P&A wells. Amtex operates the fourth well, a Grayburg oil well. It has averaged 3 bopd in 2025. No Queen or San Andres SWD well is within 3 miles.

- VII.
1. Average injection rate will be $\approx 5,000$ bwpd.
Maximum injection rate will be 6,000 bwpd.
 2. System will be open and closed. Water will both be trucked and piped.
 3. Average injection pressure will be ≈ 900 psi. Maximum injection pressure will be 970 psi ($= 0.2$ psi/ft $\times 4854'$ (top perforation)).
 4. Disposal water will be produced water, mainly Bone Spring, but also Delaware, Morrow, Strawn, Wolfcamp, et al. Amtex has 4 approved Bone Spring wells, three of which are producing. Abstracts from the NM Produced Water Quality Database v.2 for wells in T. 19 S., R. 35 E. are in Exhibit G. A table of TDS ranges from those wells is below.

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Formation	TDS range (mg/l)
Artesia	219,950 – 311,153
Bone Spring	25,800 – 195,200
San Andres	66,415 – 73,409

No compatibility problems have been reported from the only Queen – San Andres; SWD (97508) well (30-025-37427) in New Mexico in its 20 years of operation.

5. Queen, Grayburg, and San Andres have all produced within a mile.

VIII. The overall Queen – San Andres interval is 1196' thick. Dolomite is the target. Confining strata are anhydrite above and shale and siltstone below. Closest possible underground source of drinking water above the proposed disposal interval are the sandstone, gravel, and conglomerates above the Rustler anhydrite. According to State Engineer records (Exhibit G), closest water well (L 04116 S) is 0.76 miles south. The deepest water well within 2-miles is 125'. A water well not in the State Engineer records was found 2900' southwest and sampled. No underground source of drinking water is below the proposed disposal interval.

Estimated formation tops are:

Quaternary = 0'
Rustler = 1,765'
Yates = 3,413'
Seven Rivers = 3,903'
Queen = 4,580'
Top disposal interval = 4,854'
Grayburg = 5,167'
San Andres = 5,250'
Bottom disposal interval = 5,430'
PBSD = 5,477'
Delaware Mt. Group = 5,776'
Bone Spring = 7,880'
Wolfcamp = 10,920'
Pennsylvanian = 11,552'
Atoka = 11,920'

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Mississippian = 13,158'
Woodford = 13,808'
Devonian = 13,980'
TD = 14,100'

According to State Engineer records (Exhibit G), the deepest water well within 2-miles is 125'. There will be 2,815' of vertical separation including >1,935' of salt and anhydrite between the bottom of the only likely underground water source (red beds) and the top of the Queen.

IX. Well will be stimulated with acid as needed.

X. GR-CC, GR-Sonic, and MLL logs are on file with NMOCD.

XI. According to State Engineer records (Exhibit H), 2 water wells are within a 2-mile radius, closest of which is 0.76 miles south. Neither of the two were found during a June 24, 2025, field inspection. A water well not in the State records was found 2900' southwest and was sampled. Analysis results are in Exhibit I. Another well not in the State records was found 3/8 mile north, but it was dry.

XII. Amtex Energy Inc. (Exhibit J) is not aware of any geologic or engineering data that may indicate the Queen – San Andres interval is in hydrologic connection with any underground sources of water. The only water well within a mile radius was sampled. Map and analyses are in Exhibits H and I. Deepest water well within a 2-mile radius is 125'.

XIII. A legal ad (Exhibit K) was published in the Hobbs News-Sun on November 13, 2025. Notice (Exhibit L) and this application has been sent to the surface owner (Pearl Valley LP), all well operators regardless of depth, government lessors, lessees, and operating right holders within a mile.

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Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 526807

CONDITIONS

Operator: Amtex Oilfield Services, Inc. 3314 Meadow Lark LN Carlsbad, NM 88220	OGRID: 331676
	Action Number: 526807
	Action Type: [C-108] Fluid Injection Well (C-108)

CONDITIONS

Created By	Condition	Condition Date
stacy.sandoval	None	12/5/2025