

4/10/2014 DATE IN	SUSPENSE	PRG ENGINEER	4/10/2014 LOGGED IN	SWD TYPE	PMAM 1410059948 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



## ADMINISTRATIVE APPLICATION CHECKLIST

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

### Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify \_\_\_\_\_

- SWD  
- Lynx Petroleum  
Consultants  
13645

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

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

[B] ☒ Offset Operators, Leaseholders or Surface Owner

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

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

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

[F] ☐ Waivers are Attached

well  
- McKay Federal  
30-025-30677

Pool  
- SWD Yates  
96090

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

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

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

Larry R. Scott  
Print or Type Name

*Larry R. Scott*  
Signature

President  
Title

04-01-14  
Date

lynxpet@leaco.net  
e-mail Address

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: \_\_\_\_\_ Secondary Recovery \_\_\_\_\_ Pressure Maintenance ☒ Disposal \_\_\_\_\_ Storage  
Application qualifies for administrative approval? ☒ Yes \_\_\_\_\_ No
- II. OPERATOR: Lynx Petroleum Consultants, Inc.  
ADDRESS: P.O. Box 1708, Hobbs, NM 88241  
CONTACT PARTY: Larry R. Scott PHONE: 575-392-6950
- 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: Larry R. Scott TITLE: President  
SIGNATURE: *Larry R. Scott* DATE: March 13, 2014  
E-MAIL ADDRESS: lynxpet@leaco.net
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

### 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.

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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.

**McKay Federal No. 3**  
**Form C-108 Additional Data**

- III. Data sheet is attached as Exhibit 'A'. A schematic of the current wellbore status is attached as Exhibit 'B'. A schematic of the "as completed" disposal well is attached as Exhibit 'C'.
- IV. This is a new project
- V. Map is attached as Exhibit 'D'.
- VI. Only one well penetrates the one-half mile area of review. A wellbore schematic of the plugged and abandoned Jennings 'A' No. 1 is attached as Exhibit 'E'.
- VII. Data on the proposed operations:
1. Average daily rate: 2500 bbls.; Maximum daily rate: 5000 bbls.
  2. The system will be closed
  3. Average injection pressure: 300 psig; Maximum injection pressure: 700 psig
  4. Source of injected fluid will be primarily from the Bone Springs formation located in T-19S, R-31E and R-32E. A water analysis is attached. ✓
  5. The Lusk Seven Rivers Unit located in section 3, T-19S, R-32E is approximately 1 mile to the north of the proposed location. The Lusk NE field produces from the Yates-Seven Rivers interval 2,958'-3,337' approximately ¾ mile southwest. The Tonto West Yates-Seven Rivers field is located approximately 2 miles to the southeast in section 18, T-19S, R-32E and in section 18, T-19S, R-33E. A water analysis from a producing well in the Tonto West field is attached as Exhibit 'F'. ✓
- VIII. Injection will be into the Yates-Seven Rivers horizon in the interval 3,150'-3,450'. ✓  
The interval consists of sands, shale, and limestone. A well log with formation tops named both above and below the injection interval is attached as Exhibit 'G'. A search of the New Mexico State Engineer's Waters database (Exhibit 'H') reveals no underground sources of drinking water in any of Sections 9,10,11,14,15, or 16 in T-19S, R-32E. This was confirmed with a search of the PRRC "Pit Rule" mapping portal. ✓
- IX. The open hole interval 3,150'-3,450' will be stimulated with 5000 gallons 15% HCL-NE-FE acid. ✓
- X. Logs and test data for this wellbore have been previously submitted. ✓
- XI. Please see VIII above.
- XII. I have examined all available geologic and engineering data surrounding this wellbore and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Proof of notice return receipts are attached.

By: \_\_\_\_\_

Larry R. Scott

Date: \_\_\_\_\_

4-2-14

## INJECTION WELL DATA SHEET

OPERATOR: Lynx Petroleum Consultants, Inc.WELL NAME & NUMBER: McKay Federal No. 3

WELL LOCATION:	<u>330' FSL &amp; 1980' FEL</u>	<u>0</u>	<u>10</u>	<u>19S</u>	<u>32E</u>
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 12 $\frac{1}{4}$ " Casing Size: 9 5/8"Cemented with: 450 sx. or                      ft<sup>3</sup>Top of Cement: Surface Method Determined: CirculatedIntermediate CasingHole Size:                      Casing Size:                     Cemented with:                      sx. or                      ft<sup>3</sup>Top of Cement:                      Method Determined:                     Production CasingHole Size: 8 3/4" Casing Size: 7"Cemented with: 1930 sx. or 3721 ft<sup>3</sup>Top of Cement: Surface Method Determined: CirculatedTotal Depth: 3150'Injection Interval3150 feet to 3450' open hole

(Perforated or Open Hole; indicate which)

EXHIBIT "A"

SEE ATTACHED SCHEMATICS

**INJECTION WELL DATA SHEET**Tubing Size: 2 7/8" Lining Material: PlasticType of Packer: Baker AD-1 or equivalentPacker Setting Depth: 3100'

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? Delaware Oil Producer

2. Name of the Injection Formation: Yates-Seven Rivers

3. Name of Field or Pool (if applicable): Lusk NE

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. See attached

schematic

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Yates-Seven Rivers 2,958-3337', Delaware 7403-7460',

Bone Spring 8400-9700', Wolfcamp 10,430-10,900', Morrow 12,500-12,900'

Elevation = +3647' K.B. = +18'

# CURRENT WELLBORE STATUS

2/25/2014

20 Sx. Surface

879' - 9 5/8", 36# Casing

Cemented w/450 sxs Circulated to surface

75 Sx. cmt. 930'-830'

150 Sx. cmt. 1150'-1050'

85 Sx. cmt. 3090'-2990'

40 Sx. cmt. 5635'-5535'

35 Sx. cmt. 7330'-7230'

T.D. @ 7330'

**EXHIBIT "B"**

Pacific Enterprises Oil Co.  
McKay Federal No. 3  
330' FSL & 1980' FEL  
Section 10, T-19S, R-32E  
Lea County, New Mexico

4000  
2647  
353  
Elevation = +3647' K.E. = +18'

PROPOSED INJECTION WELLBORE  
2/25/2014

20 Sx. Surface

3100' -- 2-7/8", 6.5#, J-55 Internally Plastic Coated Tubing

879' - 9 5/8", 36# Casing  
Cemented w/450 sxs Circulated to surface

3100' - Baker Model AD-1 Nickel Plated Packer

3150' - 7", 20#, J-55 Casing  
Cemented w/1930 sxs Circulated to surface

255 Sx. cmt. 3550'-3150'; Drill out to 3450' after 7' is run and cemented

40 Sx. cmt. 5635'-5535'

35 Sx. cmt. 7330'-7230'

T.D. @ 7330'

EXHIBIT "C"

Lynx Petroleum Cons., Inc.  
McKay Federal No. 3  
330' FSL & 1980' FEL  
Section 10, T-19S, R-32E  
Lea County, New Mexico



4 Chevron BHL (Gulf)  
HBP  
22643  
Amson, CUG  
(etal)  
Chevron  
Gadget: Fed  
105540  
(Chevron)  
(4390-10382)  
3 Oper  
2014  
934  
40 53  
Gulf  
Fed  
COGOEG  
51 2014  
111762  
4-15 20 3H  
U.S.  
Lans-  
dale-  
Fed.  
Chevron  
4390-10382  
COG-3123  
HBP  
18629

3 (1) Q8NT03500) COG Oper BHL  
IH 1042963 11 1014

COG Op. 8 \$84000 117932

104076 Webb Oil Bondur  
7 "Shell-Fed" 3000- ant. Fed  
R Westall 067502 Bulldog  
Pet. Dev. Corp. (2) 2 Ener.  
Mckay (2-A)  
SOG Fed 6 Shell-Fed  
Mort. U.S. 3 Webb Oil  
2 M. U.S.  
(3-A) M-A) 1 067230  
W.R. Westall TIA 1 KUP/B1  
(Webb Oil) 1 3 Min Fed  
067982 Tenneco  
(Merit Ener.) Shell-Fed  
Cactus Set Rvd Disc  
Shell-Fed 1 Westall U.S. 1  
TO3559 15000-13107  
00-A-2-15-66 U.S. Fed 1  
BHL

Yates Pet  
Bandurant Fed  
TD 365

Sagebrush

6  
P132

5 VB 324  
P114

Gimarex  
V 3750  
P135

4

1  
F97

Philip  
Det.  
State

2 Gimarex  
V 3750  
1 2

Marshall B.  
Winston  
1-1-2022

Cactus  
Superior-Si  
TD 4058  
049-3-65 State

Sagebrush

P68 3  
P1533  
Mitchell  
Cochise  
Fed

Mitchell  
Cochise  
TD 3725

4

"Cochise" 2 "St"

"Cochise"

3H  
 24 (Sanders Pet, et al)  
 121 Nade! E. Gussman  
 13:122  
 3422  
 Marbob  
 Falcon-Fed  
 Com.  
 BHL  
 9  
 Dorothy McKay Fed.  
 U.S.  
 Amoco  
 St.

[MARBOB (OPER.)]  
 [LUSK] (SEV. RIV'S.) UNIT  
 (Sun)  
 Model E. Gussman  
 (WO) ● 12413 (WO) 2  
 (29 Mil) (WO) Pet Dev Corp  
 (Dual) Sun-McKay-  
 Fed  
 10 (WC Bisc)  
 15 Mil.  
 (F441)  
 "Sun-McKay-Fed"  
 Kagan En  
 (Pet Dev Corp)  
 (Sharon Fed)  
 (Sharon Fed)  
 (RTP 0541)  
 Pacific Ent.  
 McKay-Fed  
 707330

Marshall & Winston  
TJG Fed.

Pogo Prod. Co.  
(OXY U. S. A.)  
10-1-2021  
3Z860

Per Dev Corp  
Roberts-  
McKay-Fed

1013650

Westall  
6P Amv  
89820

Pogo Prod  
TOXY U. S.  
10-1-2021  
3Z860  
WIZ

U S

Hand-drawn map of the area around Clever Rock, showing various locations, distances, and landmarks. The map includes labels like 'Mayer', 'Clever Rock', 'Wetall', and 'State'. It also features handwritten notes such as 'Meridian State DR' and '10 6609'. The map is marked with numbers 1 through 9 and includes a compass rose indicating North.

Key locations and features on the map:

- Top:** 7 Magnum Hunter I.G. 604 "DR"
- Top Right:** 90R, 3, 9, 4 DR
- Center:** Meridian State DR 10 6609, 5, 1.6 Mi. + 13 bbls.
- Bottom Center:** 16 (Clever Rock Ener), Clever Rock, (B.S. & S.), 12 W
- Bottom Right:** 9, 13 HI.
- Bottom Left:** 13 HI, State
- Left Side:** 1 Mayer, 36'9, 300, res 288G, 7-26-61, 6, 2 Wyo, Yates, 6-57, Look-St., (Cactus), (Horned-St.), (10 3232)
- Other Labels:** 1.6 Mi., +13 bbls., Wetall (Or G. (BP Amer, '72) 10 Bn yr base VB 0116, 13 HI.

[illegible]

DE  
 Gonzales  
 12.1.2008  
 101602  
 120.00

Sun  
 HBP  
 063530

Modano  
 025497  
 Sun 3/4

J.H.  
 Hendrix  
 Corp.  
 E12

Nadel E.  
 Gussman  
 Korte zak  
 Fed. 1

Modano  
 025497  
 Sun 3/4

1

OHL

P273

OHL

RE Wilson  
 11.1.2014  
 112933  
 \$ 850.00

Metex Pipe  
 E Supply  
 Mess E  
 Pyrrson-Fed  
 TO 3314

"Bondu

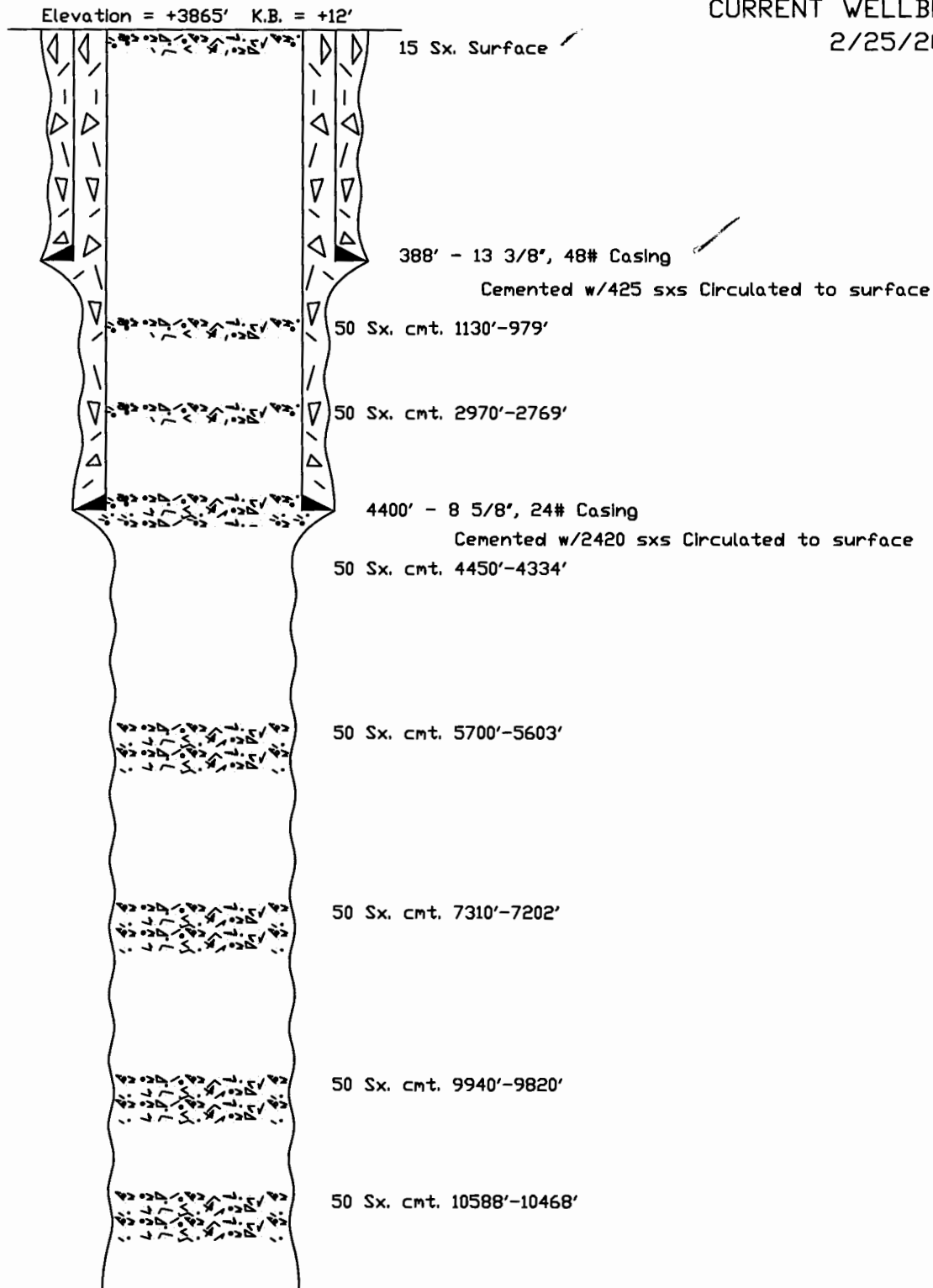
U.S.

A hand-drawn map of the E.H. Muse, Jr. property. The map shows a network of roads and various locations. At the top, it is labeled 'E.H. Muse, Jr.' with the number '065710'. Below this, 'Cimarex' and 'Occidental-Ainoco' are marked. A road is labeled '103 mi' and another '106 mi'. A '100' marker is shown. The map also includes 'Dorchester' and 'Kersey Co. 7330'. Other labels include 'Cimarex (Mobil)', 'Ainoco', 'Lynch', and 'Mobil-Fed.'. The map is oriented with North at the top.

BHL 1 1 EOG Lusk Fed 2 Sun 2H  
 Endeavor (Sun) Sloan Fed. TD 11,000  
 (TD10915) EOG R25. 3H  
 Urehan E. (Lanexco)  
 Stoltenberg 12412  
 East-Lusk-Fed.  
 TD 2932 22 "Lusk Fed."  
 BHL: 1 Liang, Inc. 4H  
 CIMAREX (OPER. LUSK WEST  
 Chesapeake (DEL) UNIT  
 71784

ANADARKO  
 HBP  
 12412  
 EOG Res.  
 3H BHL  
 23  
 (P/B) Burlington  
 Fed  
 R Bruton  
 (Wol)  
 P45 HA  
 "Lusk"  
 23 Fed  
 EUG RES

CURRENT WELLBORE STATUS  
2/25/2014



T.D. @ 10900'

EXHIBIT "E"

Sun Oil Company  
Jennings 'A' No. 1  
660' FNL & 1980' FEL  
Section 10, T-19S, R-32E  
Lea County, New Mexico

(November 1983)  
(formerly 9-330)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

NM-12413-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR RANCH NAME

McKay Federal

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

West Lusk Delaware

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 10, T19S, R32E

12. COUNTY OR PARISH

Lea

13. STATE

NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☒ Other

b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. CENVR. ☐ Other

2. NAME OF OPERATOR

Pacific Enterprises Oil Company (USA)

3. ADDRESS OF OPERATOR

P. O. Box 3083, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 330' FSL & 1980' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO. DATE ISSUED

15. DATE SPUDDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 19. ELEV. CASINGHEAD

11-14-89

12-6-89

-

3647.2' GR

20. TOTAL DEPTH, MD & TVD 21. PLUG BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 24. ROTARY TOOLS 25. CABLE TOOLS

7330'

-

-

X

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 25. WAS DIRECTIONAL SURVEY MADE

---

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED

CNL FDC

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	AMOUNT PULLED
9-5/8"	36	879'	12-1/4"	450 sx Class C

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
---					---		

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
---	

33.\* PRODUCTION

DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) WELL STATUS (Producing or shut-in)

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Directional Survey, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *Robert Markley*

TITLE Operations Engineer

DATE 2-14-85

\*(See Instructions and Spaces for Additional Data on Reverse Side)

EXHIBIT "G"

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Brushy Canyon	6540'	6557'	DST #1 Tool opened at 9:15 PM on 11-30-89. First Flow: 5 mins - IFP 141 psi, FFP 225 psi First Shut-in: 60 mins - ISIP 2710 psi Second Flow: 90 mins - IFP 254 psi, FFP 997 psi Second Shut-in: 4-1/2 hrs - FSIP 2606 psi  Drill Pipe Recovery: 12.6 bbls mud, chl 185,000 6.6 bbls filtrate & formation water, chl 176,000  Sample Chamber Recovery: 0 cc oil, 2450 cc water	Rustler	1157'	
				Yates	2939'	
				Seven Rivers	3252'	
				Queen	3941'	
				San Andres	4295'	
				Delaware	5503'	
				Brushy Canyon "B" Sand	6538'	
Brushy Canyon	7065'	7099'	DST #2 Tool opened at 11:50 PM on 12-4-89. First Flow: 10 mins - IFP 115 psi, FFP 124 psi First Shut-in: 60 mins - ISIP 229 psi Second Flow: 90 mins - IFP 162 psi, FFP 210 psi Second Shut-in: 4-1/2 hrs - FSIP 2893 psi  Drill Pipe Recovery: 3.7 bbls mud and mod. oil and gas cut mud  Sample Chamber Recovery: 120 cc oil, 1640 cc mud, 200 cc oil and gas cut mud emulsion	Bone Spring	7296'	

FEB 1973  
W. J. BROWN

## TRETOLITE DIVISION

 (915) 682-4301  
 Fax (915) 684-7873

 Reply to:  
 P.O. Box 60180  
 Midland, TX 79711-0180

## WATER ANALYSIS REPORT

Company	: LYNX PETROLEUM	Date	: 7-13-93
Address	: HOBBS, NEW MEXICO	Date Sampled	: 6-30-93
Lease	: MACK ENERGY	Analysis No.	: 2014
Well	: FEDERAL #2		
Sample Pt.	:		

ANALYSIS	mg/L	* meq/L
1. pH	7.0	
2. H2S	12 PPM	
3. Specific Gravity	1.020	
4. Total Dissolved Solids	26677.1	
5. Suspended Solids		
6. Dissolved Oxygen		
7. Dissolved CO2	65 PPM	
8. Oil In Water		
9. Phenolphthalein Alkalinity (CaCO3)		
10. Methyl Orange Alkalinity (CaCO3)	100.0	
11. Bicarbonate	HCO3 122.0	HCO3 2.0
12. Chloride	Cl 14001.9	Cl 395.0
13. Sulfate	SO4 2750.0	SO4 57.3
14. Calcium	Ca 1370.7	Ca 68.4
15. Magnesium	Mg 505.6	Mg 41.6
16. Sodium (calculated)	Na 7914.1	Na 344.2
17. Iron	Fe 12.7	
18. Barium	Ba Not Run	
19. Strontium	Sr Not Run	
20. Total Hardness (CaCO3)	5504.9	

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
68 *Ca <----- *HCO3	Ca(HCO3)2	81.0 2.0	162
----- /----->	CaSO4	68.1 57.3	3898
42 *Mg -----> *SO4	CaCl2	55.5 9.1	507
----- <----- /	Mg(HCO3)2	73.2	
344 *Na -----> *Cl	MgSO4	60.2	
-----	MgCl2	47.6 41.6	1980
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4 344.2	20118
BaSO4 2.4 mg/L			

REMARKS: SWEATT - BENNETT - FILE

PETROLITE

Petrolite Corporation  
200 North Loraine, Suite 1100  
Midland, TX 79701-4736

**TRETOLITE** DIVISION

(915) 682-4301  
Fax (915) 684-7873

Reply to:  
P.O. Box 60180  
Midland, TX 79711-0180

SCALE TENDENCY REPORT  
-----

Company	: LYNX PETROLEUM	Date	: 7-13-93
Address	: HOBBS, NEW MEXICO	Date Sampled	: 6-30-93
Lease	: MACK ENERGY	Analysis No.	: 2014
Well	: FEDERAL #2	Analyst	: RAY SHAFFNER
Sample Pt.	:		

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO<sub>3</sub> Scaling Tendency

S.I. = 0.0 at 80 deg. F or 27 deg. C  
S.I. = 0.2 at 120 deg. F or 49 deg. C

\*\*\*\*\*

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

S = 4167 at 80 deg. F or 27 deg C  
S = 4283 at 120 deg. F or 49 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
RAY SHAFFNER



# *New Mexico Office of the State Engineer* **Water Column/Average Depth to Water**

---

No records found.

**Basin/County Search:**

**Basin:** Capitan

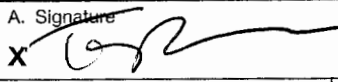
**County:** Lea

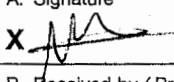
**PLSS Search:**

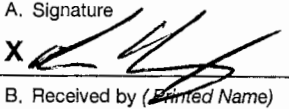
**Section(s):** 9, 10, 11, 14,  
15, 16

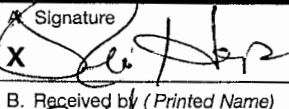
**Township:** 19S

**Range:** 32E

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span> <u>Toni Bugay</u> <span style="float: right;">MAR 24 2004</span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: Modano Oil & Gas LP 301 Commerce St., Ste 1830 Fort Worth, TX 76102-4189		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label) <u>7013 1710 0000 1866 3150</u>		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span> <u>Natasha Garcia</u> <span style="float: right;">3-24-14</span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: BUREAU OF LAND MANAGEMENT 2909 W. 2nd St. Roswell, NM 88201		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label) <u>7013 1710 0000 1866 3105</u>		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature  <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span> <u>Bureau of Land Management</u> <span style="float: right;">3/24/14</span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: Bureau of Land Management 620 E. Greene St. Carlsbad, NM 88220		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label) <u>7013 1710 0000 1866 3143</u>		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span> <u>Ray Westall</u> <span style="float: right;"></span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: Ray Westall P.O. Box 4 Loco Hills, NM 88255		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label) <u>7013 1710 0000 1866 3129</u>		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Amadita Arredondo</i></p> <p>C. Date of Delivery <i>APR 1 2004</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes</p> <p><b>RAYA703 786132075-16</b> <b>NOTIFY SENDER OF NEW</b> <b>RAYA ENERGY</b> <b>PO BOX 200685</b> <b>AUSTIN TX 78720-0685</b></p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
1. Article Addressed to: Raya Energy Corporation 1703 Edelweiss Drive Cedar Park, TX 78613			
2. Article Number (Transfer from service label) 7013 1710 0000 1866 3112			
PS Form 3811, February 2004 Domestic Return Receipt			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Brish Pruit</i></p> <p>C. Date of Delivery <i>3/26/04</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
1. Article Addressed to: BLM Hobbs Field Station 414 W. Taylor St. Hobbs, NM 88240			
2. Article Number (Transfer from service label) 7013 1710 0000 1866 3174			
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Susyn Chanchon</i></p> <p>C. Date of Delivery <i>3/24/14</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
1. Article Addressed to: Nadel & Gussman Permian LLC 601 W. Marienfeld No. 508 Midland, TX 79701			
2. Article Number (Transfer from service label) 7013 1710 0000 1866 3136			
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>D. H. Chander</i></p> <p>C. Date of Delivery <i>3-24-14</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
1. Article Addressed to: RCWI LP 1901 N. Central Expressway Richardson, TX 75080-3558			
2. Article Number (Transfer from service label) 7013 1710 0000 1866 3167			

# Affidavit of Publication

State of New Mexico,  
County of Lea.

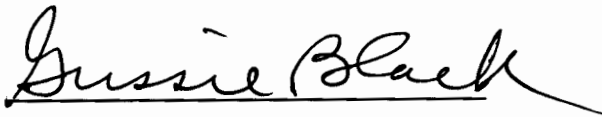
I, DANIEL RUSSELL  
PUBLISHER  
of the Hobbs News-Sun, a  
newspaper published at Hobbs, New  
Mexico, do solemnly swear that the  
clipping attached hereto was  
published in the regular and entire  
issue of said newspaper, and not a  
supplement thereof for a period

of 1 issue(s).  
Beginning with the issue dated  
March 19, 2014  
and ending with the issue dated  
March 19, 2014



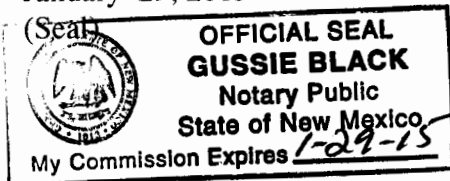
PUBLISHER

Sworn and subscribed to before me  
this 19th day of  
March, 2014



Notary Public

My commission expires  
January 29, 2015



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  
March 19, 2014

NOTICE OF WATER  
DISPOSAL WELL

Lynx Petroleum  
Consultants, Inc., P.O. Box  
1708, Hobbs, NM 88241,  
Phone 575-392-6950,  
Contact - Larry R. Scott, has  
made application for a water  
disposal well with the  
NMOCD. The McKay  
Federal No. 3 will be drilled  
at a location 330' FSL and  
1980' FEL of Section 10,  
T-19S, R-32E, Lea County,  
NM. Disposal will be into the  
Yates-Seven Rivers  
formation through an  
open-hole completion over  
the interval 3150' to 3450'.  
Maximum rate and pressure  
are anticipated to be 5,000  
BWPD and 700 psi.  
Interested parties must file  
objections or a request for a  
hearing with the New  
Mexico Oil Conservation  
Division, 1220 South St.  
Francis Dr., Santa Fe, NM  
87505 within 15 days of this  
notice.  
#28855

67111441

00132712

LARRY SCOTT  
LYNX PETROLEUM  
P.O. BOX 1708  
HOBBS, NM 88241



# C-108 Review Checklist:

Received 04/10/14 Add. Request:        Reply Date:        Suspended:        [Ver 13]

PERMIT TYPE: WFX / PMX / (SWD) Number: 1496 Permit Date: 08/15/14 Legacy Permits/Orders: NA

Well No. 3 Well Name(s): McKay Federal

API: 30-0 25-30677 Spud Date: 11/14/89 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 300 FSL / 1980 FEL Lot        or Unit 0 Sec 10 Tsp 19S Rge 32E County Lea

General Location: 6 mi west of Caprock Ridge; 12 mi SE of McAlister Pool: Delaware / test Lusk (to 8) Pool No.:       

BLM 100K Map: Hobbs Operator: Lynn Petroleum Consultants OGRIP: Quercero (to 15) Contact: Larry Scott

COMPLIANCE RULE 5.9: Total Wells: 8 Inactive: 0 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 08/15/14

WELL FILE REVIEWED ☒ Current Status: P&A: DMG / Brushy Canyon fm test (2 DSTs)

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☒ After Conv. ☒ Logs in Imaging: CNL/FDC

Planned Rehab Work to Well: Drill out existing casing - inst new 7" casing - drill plug at 3150' to 3450'

Well Construction Details:		Sizes (in)	Setting	Cement	Cement Top and
		Borehole / Pipe	Depths (ft)	Sx or Cf	Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface		12 1/4 / 9 5/8	0 to 879	450	air to surface
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod		- / 7	0 to 950	1930	air to surface
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod					
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner					
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner					
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH PERF		8 3/4 (no casing)	3150 to 3450		
Injection Stratigraphic Units:		Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.			Rustler	157	Drilled TD 7338 PBDT P&A
Confining Unit: <input checked="" type="checkbox"/> Litho. <input checked="" type="checkbox"/> Struc. <input checked="" type="checkbox"/> Por.		+211 / Yates	Salado		NEW TD 3450 NEW PBDT 3450
Proposed Inj Interval TOP:		3150	Yates	2939	NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/>
Proposed Inj Interval BOTTOM:		3450	Seven Rivers	3252	Tubing Size 2 7/8 in. Inter Coated? <u>Yes</u>
Confining Unit: <input checked="" type="checkbox"/> Litho. <input checked="" type="checkbox"/> Struc. <input checked="" type="checkbox"/> Por.		+189	Queen	3941	Proposed Packer Depth 3100 ft
Adjacent Unit: Litho. Struc. Por.			San Andres	4295	Min. Packer Depth 3050 (100-ft limit)
AOR: Hydrologic and Geologic Information					Proposed Max. Surface Press. 900 psi
POTASH: R-111-P <input checked="" type="checkbox"/> Noticed? <u>NA</u> BLM Sec Ord <input checked="" type="checkbox"/> Noticed? <u>NA</u> SALT: <u>SALADO T</u> : <u>B: 2939</u> CLIFF HOUSE <u>      </u>					Admin. Inj. Press. <u>2250/30</u> (0.2 psi per ft)
FRESH WATER: Aquifer <u>Ugallala (360 ft)</u> Max Depth <u>1157</u> HYDRO AFFIRM STATEMENT By Qualified Person <input checked="" type="checkbox"/>					
NMOSE Basin: <u>Capital</u> CAPITAN REEF: thru <input type="checkbox"/> adj <input checked="" type="checkbox"/> <u>NA</u> No. Wells within 1-Mile Radius? <u>0</u> FW Analysis <u>NA</u>					
Disposal Fluid: Formation Source(s) <u>Bone Spring</u> Analysis? <u>Book Vary P</u> On Lease <input type="checkbox"/> Operator Only <input type="checkbox"/> or Commercial <input checked="" type="checkbox"/>					
Disposal Int: Inject Rate (Avg/Max BWPD): <u>2500/500</u> Protectable Waters? <u>No</u> Source: <u>Water Sample</u> System: Closed <input checked="" type="checkbox"/> or Open <input type="checkbox"/>					
HC Potential: Producing Interval? <u>No</u> Formerly Producing <u>Yes</u> Method: Logs/DST/P&A/Other <u>Logs/DST/P&amp;A</u> 2-Mile Radius Pool Map <u>NA</u>					
AOR Wells: 1/2-M Radius Map? <u>Yes</u> Well List? <u>      </u> Total No. Wells Penetrating Interval: <u>1</u> Horizontals? <u>No</u>					
Penetrating Wells: No. Active Wells <u>0</u> Num Repairs? <u>0</u> on which well(s)? <u>      </u> Diagrams? <u>NA</u>					
Penetrating Wells: No. P&A Wells <u>1</u> Num Repairs? <u>0</u> on which well(s)? <u>Not recommended for</u> Diagrams? <u>Yes</u>					
NOTICE: Newspaper Date <u>03/19/14</u> Mineral Owner <u>BLM</u> Surface Owner <u>BLM</u> N. Date <u>3/24/14</u>					
RULE 26.7(A): Identified Tracts? <u>Yes</u> Affected Persons: <u>RCWI LP / Nadel &amp; Gussman</u> <u>Mohano Oil &amp; Gas / Ray Westall / Raya Energy</u> N. Date <u>3/24/14</u>					

Permit Conditions: Issues: BLM correspondence; proximity to Reef

Add Permit Cond: Stipulate test for injection (first two years) + every 5 years; 135' plug



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:  
3162.3-2 (P0220)

April 14, 2014

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

Re: McKay Federal 3

Although the BLM will not object to the proposed salt water disposal well, conditions will be added to the proposal.

1. The current casing does not cover all potential water formations and is set approximately 400' above the Rustler formation. Operator will be required to set a casing into the Rustler formation, which is the first competent formation.
2. The proposed injection zone appears to be above the Capitan Reef. As a result, the operator will be required to run periodic injection profile tests to verify that they are injecting within their approved zone.
3. The plug that will be drilled out after setting casing shall leave a minimum of 135' in length. BLM requirements are 100' plus 10% for each 1000' of depth.
4. The Jennings A 1 is not plugged properly as there is no plug across the surface casing shoe. NMOCD may determine that this plugging is adequate and require nothing further.

If you have any questions regarding this approval, please contact Wesley W. Ingram, Supervisory Petroleum Engineer at (575) 234-5982.

Sincerely,

FOR George MacDonell  
Field Office Manager  
Carlsbad Field Office  
Bureau of Land Management

cc: Lynx Petroleum Consultants, Inc.

## Goetze, Phillip, EMNRD

---

**From:** Larry Scott <lrscott@leaco.net>  
**Sent:** Friday, August 15, 2014 1:31 PM  
**To:** Goetze, Phillip, EMNRD  
**Subject:** McKay Federal No. 3 SWD Application/3162.3-2 (P0220)  
**Attachments:** BLM McKay FED 3.pdf

Phillip:

Attached to this E-mail is our copy of the letter the BLM forwarded to you regarding our application. I may have a meeting set up with the BLM next week and need to be able to tell them that we are as far as the State is concerned if wellbore mechanical details can be ironed out. Let me know soonest if there is any problem on your end. Thanks...

Larry

**From:** Ingram, Wesley [<mailto:wingram@blm.gov>]  
**Sent:** Thursday, August 14, 2014 9:05 AM  
**To:** Larry Scott  
**Subject:** Re: FW: McKay Federal No. 3 SWD Application/3162.3-2 (P0220)

Larry,

I am sorry that I have not responded. Since April 28th, my staff has been at 60%, with no replacements on the horizon. I will see if my geologist has some time on Monday, August 18, 2014.

Sincerely,  
Wesley W. Ingram  
Supervisory Petroleum Engineer  
Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene Street  
Phone: 575-234-5982  
Fax: 575-234-5927

On Wed, Aug 13, 2014 at 2:45 PM, Larry Scott <[lrscott@leaco.net](mailto:lrscott@leaco.net)> wrote:

Wesley:

I've had no response from any of this correspondence and believe it is about time for a face to face meeting regarding the below referenced project. I am available the rest of this week, Monday or Tuesday of next week, or any day the week after. The time is at your convenience. Thanks in advance.

Larry

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**From:** Larry Scott [mailto:[lrscott@leaco.net](mailto:lrscott@leaco.net)]  
**Sent:** Monday, June 23, 2014 11:41 AM  
**To:** [wingram@blm.gov](mailto:wingram@blm.gov)  
**Subject:** FW: McKay Federal No. 3 SWD Application/3162.3-2 (P0220)

Wesley:

I'm following up on this E-mail. Have you guys had a chance to review this yet? Thanks...

Larry

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**From:** Larry Scott [mailto:[lrscott@leaco.net](mailto:lrscott@leaco.net)]  
**Sent:** Tuesday, April 22, 2014 9:27 AM  
**To:** '[wingram@blm.gov](mailto:wingram@blm.gov)'  
**Subject:** McKay Federal No. 3 SWD Application/3162.3-2 (P0220)

Wesley:

Per our phone conversation I am writing to request that you guys please review the Condition 1 that was outlined in your April 14 letter to the NMOCD. Requiring an additional string of casing 400' below the 897' 9-5/8" surface pipe will preclude production casing any larger than 4-1/2" in diameter. This in turn will increase costs and injection pressures and decrease available disposal rates for the life of the project due to the small diameter tubing that will ultimately be required. We would very much like to utilize this wellbore if at all possible as it minimizes new disturbance in an otherwise environmentally sensitive area. In addition, there are literally hundreds of 3,000'-5,000' wells in the immediate vicinity will surface pipe set at or above the depth set in the McKay No. 3. Competent formation and the resultant hole problems should not be a factor. Thanks for taking a look...and call if there are any questions.

Larry