

DATE <u>8/14/12</u>	SUSPENSE <u>8/30/12</u>	ENGINEER <u>W Jones</u>	LOGGED IN <u>8/16/12</u>	TYPE <u>SWD</u>	APP NO. <u>PKVR1222956041</u>
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Operator Name CHANGE
 Well TRANSFER
10/23/12

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Ray Westall Operating
 INC
 Beretta 26 State Com #1

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 _____

Ray Westall Operating, Inc.
 Beretta-26 State Com 1
 30-015-33628

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

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

[B] ☒ Offset Operators, Leaseholders or Surface Owner

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

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

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

[F] ☐ Waivers are Attached

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

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

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

Brian Wood

Print or Type Name

Signature

Consultant

Title

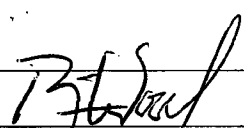
brian@permitswest.com

e-mail Address

8-13-12

Date

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance XXX Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: RAY WESTALL OPERATING, INC.
ADDRESS: P. O. BOX 4, LOCO HILLS, NM 88255
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:
- Proposed average and maximum daily rate and volume of fluids to be injected; Beretta 26 State Com 1
 - Whether the system is open or closed; 30-015-33628
 - Proposed average and maximum injection pressure; SWD; Wolfcamp, Cisco, & Canyon
 - Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 - 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: AUGUST 10, 2012
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: _____

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.

INJECTION WELL DATA SHEET

OPERATOR: RAY WESTALL OPERATING, INC.WELL NAME & NUMBER: BERETTA 26 STATE COM 1WELL LOCATION: 660 FNL & 1650 FEL

B

26

18 S

28 E

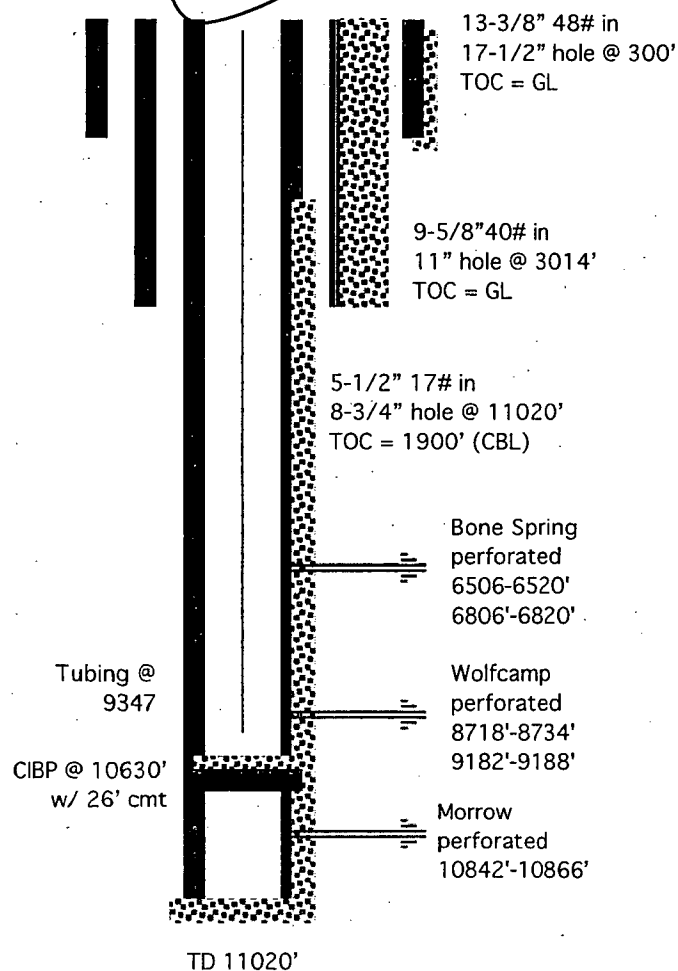
FOOTAGE LOCATION

UNIT LETTER

SECTION

TOWNSHIP

RANGE

WELLBORE SCHEMATICAS IS
(not to scale)WELL CONSTRUCTION DATASurface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"
 Cemented with: 400 sx. or 664 ft³
 Top of Cement: SURFACE Method Determined: VISUAL

Intermediate Casing

Hole Size: 11" Casing Size: 9-5/8"
 Cemented with: 1,250 sx. or 2,022 ft³
 Top of Cement: SURFACE Method Determined: VISUAL

Production Casing

Hole Size: 8-3/4" Casing Size: 5-1/2"
 Cemented with: 1,820 sx. or 2,910 ft³
 Top of Cement: 1,900' Method Determined: CBL
 Total Depth: 11,020'

Injection Interval

8,450' feet to 9,750'

(Perforated ~~or Open Hole~~; indicate which)

INJECTION WELL DATA SHEET

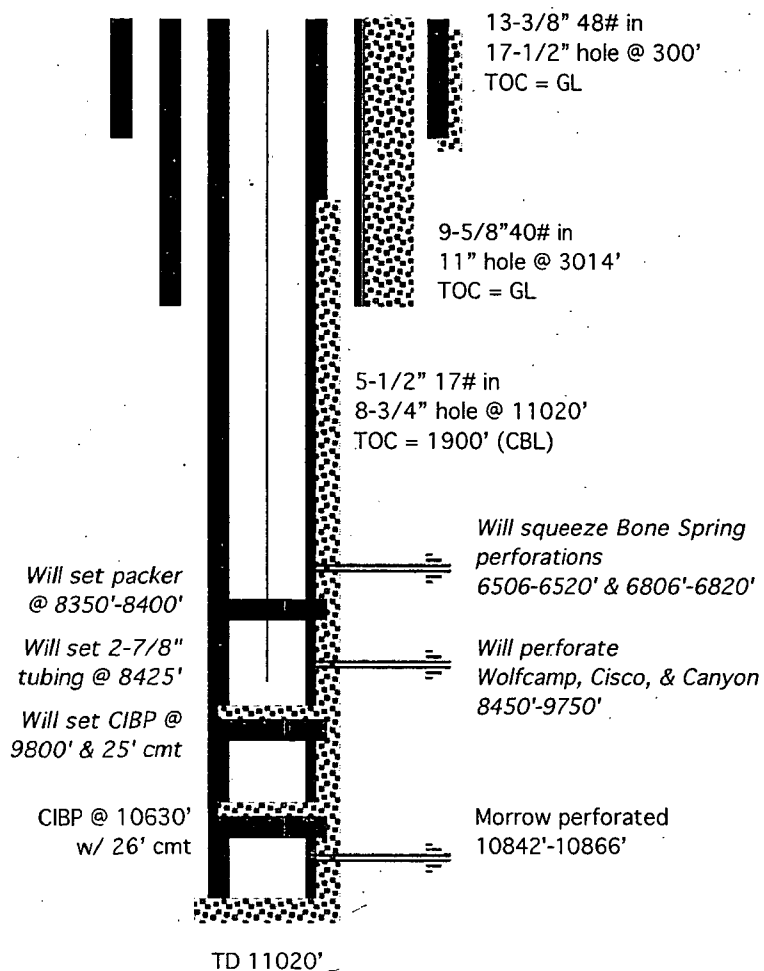
OPERATOR: RAY WESTALL OPERATING, INC.WELL NAME & NUMBER: BERETTA 26 STATE COM 1

WELL LOCATION:	660 FNL & 1650 FEL	B	26	18 S	28 E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

PROPOSED

(not to scale)

WELL CONSTRUCTION DATASurface Casing

Hole Size:	<u>17-1/2"</u>	Casing Size:	<u>13-3/8"</u>
Cemented with:	<u>400</u> sx.	or	<u>664</u> ft ³
Top of Cement:	<u>SURFACE</u>	Method Determined:	<u>VISUAL</u>

Intermediate Casing

Hole Size:	<u>11"</u>	Casing Size:	<u>9-5/8"</u>
Cemented with:	<u>1,250</u> sx.	or	<u>2,022</u> ft ³
Top of Cement:	<u>SURFACE</u>	Method Determined:	<u>VISUAL</u>

Production Casing

Hole Size:	<u>8-3/4"</u>	Casing Size:	<u>5-1/2"</u>
Cemented with:	<u>1,820</u> sx.	or	<u>2,910</u> ft ³
Top of Cement:	<u>1,900'</u>	Method Determined:	<u>CBL</u>
Total Depth:	<u>11,020'</u>		

Injection Interval

<u>8,450'</u>	feet to	<u>9,750'</u>
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(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2-7/8" Lining Material: PLASTICType of Packer: ARROW AS-1XPacker Setting Depth: 8,350' - 8,400'

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? GAS WELL (MORROW)

OIL WELL (WOLFCAMP & BONE SPRING)

2. Name of the Injection Formation: WOLFCAMP, CISCO, & CANYON
3. Name of Field or Pool (if applicable): SWD; WOLFCAMP (96135) SWD; CISCO (96099)
SWD; CANYON (96184)
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.
MORROW: 10842'-10866' CIBP @ 10630' + 36' CEMENT
WOLFCAMP: 8718'-8734' & 9182'-9188'
BONE SPRING 6506'-6520' & 6806'-6820' WITH PACKER @ 6432'
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

OVER: QUEEN (1745'), GRAYBURG (2274'), SAN ANDRES (2570'), BONE SPRING (6505')

UNDER: STRAWN (9775'), MORROW (10800')

RAY WESTALL OPERATING, INC.
BERETTA 26 STATE COM 1
660' FNL & 1650' FEL SEC. 26, T. 18 S., R. 28 E.
EDDY COUNTY, NEW MEXICO

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I. Goal is to reenter a temporarily abandoned well and convert it to a saltwater disposal well. (The well last produced in September 2007.) Mewbourne started the well in 2005 as a Turkey Track; Morrow North well. Xeric became operator and drilled to 11,020'. Xeric found ~~no~~ oil and gas was too small to measure in the Morrow. Xeric then plugged back the Morrow and tested the Wolfcamp and Bone Spring. Cumulative commingled production is 3073 barrels of oil, 18670 Mcf of gas, and 4458 barrels of water in 1319 days. The plan is to squeeze the Bone Spring and perforate the Wolfcamp, Cisco, and Canyon from 8450' to 9750'. Ray Westall Operating, Inc. has filed Form C-145 to replace XOG as the operator.

II. Operator: Ray Westall Operating, Inc. (OGRID #18862)
Operator phone number: (575) 677-2370
Operator address: P. O. Box 4
Loco Hills, NM 88255
Contact for Application: Brian Wood (Permits West, Inc.)
Phone: (505) 466-8120

III. A. (1) Lease: New Mexico State Land Office lease VB-2020-0000
Lease Size: 200 acres (see Exhibit A for C-102 and map)
Closest Lease Line: 330'
Lease Area: NENE, S2NE4, & W2SE4 Section 26, T. 18 S., R. 28 E.

A. (2) Surface casing (13-3/8", 48#, S T & C, H-40) was set at 300' in a 17-1/2" hole. Circulated 128 sacks to the pit. Lead with 200 sacks light poz Class C with additives mixed at 12.5 pounds per gallon and 1.98 cubic feet per sack. Tailed with 200 sacks Class C with 2% CaCl₂ mixed at 14.8 pounds per gallon and 1.34 cubic feet per sack.

Intermediate casing (9-5/8", 40#, L T & C, N-80/K-55) was set at 3,014' in an 11" hole. Circulated 100 sacks to the pit. Lead with 850 sacks light C with additives mixed at 12.5 pounds per gallon and 1.96 cubic feet per sack. Tailed with 400 sacks Class C with 2% CaCl₂ mixed at 14.8 pounds per gallon and 1.34 cubic feet per sack.

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Production casing (5-1/2", 17#, L T & C, HCP-110/N-80) was set at 11,020' (TD) in an 8-3/4" hole. Estimated top of cement is 1,700'. Cemented first stage with 575 sacks 61:15:11 Class H poz with additives mixed at 13.2 pounds per gallon and 1.63 cubic feet per sack. Tailed with 330 sacks Class H with additives mixed at 15.1 pounds per gallon and 1.28 cubic feet per sack. Cement circulated through the DV tool at 7518'. Cemented second stage with 575 sacks 35:65:6 Class H light with additives mixed at 12.5 pounds per gallon and 1.94 cubic feet per sack. Tailed with 340 sacks Class H with additives mixed at 15.1 pounds per gallon and 1.28 cubic feet per sack.

- A. (3) Tubing will be 2-7/8" plastic lined. Setting depth will be at \approx 8,425'. (Disposal interval will be 8,450' to 9,750'.)
- A. (4) An Arrow AS-1X packer will be set between 8,350' and 8,400' (50' to 100' above the highest proposed perforation of 8,450').
- B. (1) Disposal zones will be the Wolfcamp (96135), Cisco (96099), and Canyon (96184).
- B. (2) Disposal interval will be 8450' to 9750'. A CIBP will be set at ?? and it will be topped with 30' of cement.
- B. (3) Well history is:
 - 1-11-05: Mewbourne spuds well
 - 2-16-05: TD at 11,020' in Morrow
 - 2-19-05: Xeric becomes operator
 - 3-19-05: shut in after unproductive Morrow completion
 - 4-29-05: two CIBP set below Wolfcamp & completed in Wolfcamp
 - 8-7-05: CIBP set to isolate Wolfcamp & completed in Bone Spring
 - 1-19-06: DHC approved for Wolfcamp & Bone Spring
 - 4-1-06: XOG becomes operator

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B. (4) The well will be perforated from 8450' to 9750' with 4 shots per foot. Shot diameter = 0.40". Well is currently perforated from 6506'-6820' (Bone Spring) and 8718'-8734' (Wolfcamp). + (9182-9188) ?

B. (5) One oil or gas zone (Artesia; Queen-Graybrug-San Andres) is above the Wolfcamp-Cisco-Canyon interval within the half-mile radius area of review. One oil or gas zone (Turkey Track; Morrow, North (Gas) is below the Wolfcamp-Cisco-Canyon interval within the half mile radius. A potential oil or gas zone below the disposal zone is the Travis; Upper Penn (aka, Strawn). Closest Upper Penn production is 2,711' north in Devon's Travis 23K State Com 1 (30-015-27894) in K-23-18s-28e. — ?

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

V. Exhibit B shows all 4 existing wells (2 P & A wells + 1 oil well + 1 gas well) within a half-mile radius. Exhibit C shows all 193 existing wells (109 oil or gas wells + 74 P & A wells + 8 disposal or injection wells + 2 water wells) within a two-mile radius.

Exhibit D shows all leases and lessors (only State) within a half-mile radius. Exhibit E shows all leases and lessors (only State and BLM) within a two mile radius. Details on the leases within a half-mile radius are:

T. 18 S., R. 28 E.	Lessor	Lease Number	Lessee
W2SE4 Sec. 23	NMSLO	B1-1595-0000	Chevron
NESW Sec. 23	NMSLO	E0-1287-0007	EOG, Read & Stevens
E2SE4 & S2SW4 Sec. 23	NMSLO	X0-0647-0405	Khody
SWSW Sec. 24	NMSLO	E0-1286-0003	BP, Yates
W2NW4 & NWSW Sec. 25	NMSLO	B1-1276-0003	Mobil
NENE & NESE Sec. 26	NMSLO	E0-1286-0003	BP, Yates
W2 Sec. 26	NMSLO	LG-2985-0005	Oxy
W2E2 & SENE Sec. 26	NMSLO	VB-2020-0000	Yates

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VI. There are four wells within a half-mile radius. One of the four wells within a half-mile has penetrated the Wolfcamp-Cisco-Canyon interval. A summary of the penetrator is attached as Exhibit F. The four wells are:

<u>OPERATOR</u>	<u>WELL</u>	<u>API #</u> <u>30-015-</u>	<u>T. 18 S. R. 28 E.</u>	<u>ZONE(S)</u>	<u>STATUS</u>	<u>ID</u>	<u>DISTANCE</u>
Quantum	Gulf State 2	02025	990 FS & 2310 FE Sec. 23	Artesia; Queen-Gray-SA	oil	2824	1774'
Mesa	Gulf A State 1	02044	330 FNL & 1650 FWL Sec. 26	Artesia; Queen-Gray-SA	P & A	2857	1915'
Devon	Turkey Town State Com 1	24228	660 FSL & 1980 FWL Sec. 23	Turkey Track; Morrow, North	gas	11013	2033'
Melrose	Mesa FAF State 2	27352	1650 FSL & 2279 FWL Sec. 23	Artesia; Queen-Gray-SA	P & A	3000	2623'
Quantum	Gulf State 3	29077	1980 FS & 1650 FE Sec. 23	Artesia; Queen-Gray-SA	oil	2950	2648'

- VII. 1. Average injection rate will be $\approx 7,500$ bwpd.
 Maximum injection rate will be 10,000 bwpd.
2. System will be open. Water will be trucked to the well.
3. Average injection pressure will be $\approx 1,500$ psi
 Maximum injection pressure will be 1,690 psi ($= 0.2$ psi/foot $\times 8,450'$ (highest perforation)).
4. Most of the disposal water will be produced water from Yeso wells. There are at least 1,901 approved Yeso wells in T. 18 S., R. 28 E. and the 8 surrounding townships. Disposal of Yeso water into the Wolfcamp, Cisco, and Canyon has previously been elsewhere in Loco Hills. At least 4,870,822 barrels of water have been disposed into the Wolfcamp at Apache's Washington 34 #1 (30-015-29344) 5 miles to the north. At least 762,973 barrels of water have been disposed into the Cisco and Canyon at LRE's Aspen 32 State Com 1 (30-015-34148) 5 miles northwest. At least 2,667,920 barrels of water have been disposed into the Canyon in Westall's State CG 1 (30-015-25361) 4-1/2 miles to the northwest. A comparison of waters from WAIDS follows:

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	<u>Yeso</u>	<u>Wolfcamp</u>	<u>Cisco</u>	<u>Canyon</u>
Source	30-015-30575	30-015-03979	30-025-00372	30-015-20501
Where	K-30-17s-29e	J-33-16s-30e	L15-2-16s-32e	I-17-19s-26e
Barium	0.07056			0.5675
Bicarbonate	447.552	162	523	454
Calcium	495.936		1948	3669.45
Chloride	3308.26	6990	26414	137681.0
H2S				
Iron	8.064			0.3405
Magnesium	105.84		435	552.745
Potassium	44.352			455.135
Sodium	2363.76			85895.7
Strontium	14.112			57.885
Sulfate	1710.58	1500	974	4173.4
TDS	8482.82	13711	45005	205234

5. Closest (4,245' northwest in F-23-18s-28e) Wolfcamp producer is Devon's Artesia State Com 3 (30-015-26413). Cumulative production since its 2005 re-completion is 12,134 barrels of oil and 30,841 Mcf.

Closest (11,998' southeast in G-31-18s-29e) Cisco producer was Southwest Royalties' Alscott Federal Com 1 (30-015-21804). Cumulative production between 1993-2007 was 11 barrels of oil and no gas. The well was plugged in 2007.

Closest (21,214' west in J-30-18s-29e) Canyon producer was Yates' Dime State 1 (30-015-33659). Cumulative production was 1 barrel of oil and 331 Mcf of gas from December 1, 2007 through September 16, 2008.

VIII. The Wolfcamp (840' thick in this well) is on the transition from the Delaware shelf to its basin. The Wolfcamp consists of limestone alternating with dolomite and shale. The latter two have little porosity and confine the dolomite.

The Cisco (230' thick in this well) and Canyon (255' thick in this well) are mainly limestone with some dolomite intervals. Peak porosities of 20% and lost circulation have been reported.

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Closest possible underground source of drinking water above the proposed disposal interval is the Quaternary at the surface. No water wells are within a one-mile radius (EXHIBIT G). (The State Engineer's records have a coding error. The well shown in 35-18s-28e is actually in Range 38 East.) Closest water wells are more than 2 miles northwest and southwest. No underground source of drinking water is below the proposed disposal interval.

Formation tops are:

Quaternary = 0'
Salado = 390'
Salt = 440'
Yates = 842'
Seven Rivers = 1,130'
Bowers sand = 1,530'
Queen = 1,745'
Grayburg = 2,274'
San Andres = 2,570'
Bone Spring = 3,632'
Wolfcamp = 8,450'
PBSD = 9,090'
Cisco = 9,290'
Canyon = 9,520'
Strawn = 9,775'
Atoka = 10,190'
Total Depth: 11,020'

State Engineer records (see Exhibit G) shows a water well is 1.8 miles south. This is a coding error by the State Engineer. The well is actually in Range 38, Lea County, not Range 18 East, Eddy County. No water wells were found within a mile during a May 2-3, 2012 field inspection.

There will be 8,060' of vertical separation and the salt interval between the bottom of the only likely underground water source (Quaternary) and the top of the Wolfcamp.

Produced water has been disposed into the Wolfcamp at Apache's Washington 34 #1 (30-015-29344). At least 4,870,822 barrels of water have been disposed into that well that is 24,008' north in N-34-17s-28e.

Produced water has been disposed into the Cisco and Canyon at LRE's Aspen 32 State Com 1 (30-015-34148). At least 762,973 barrels have been disposed into that well that is 28,027' northwest in J-32-17s-28e.

Produced water has been disposed into the Canyon at Westall's State CG 1 (30-015-25361). At least 2,667,920 barrels have been disposed into that well that is 25,467' northwest in J-7-18s-28e.

IX. The well will be stimulated with acid to clean out scale or fill.

X. Compensated Z dense, compensated neutron, gamma ray, dual laterolog, micro laterolog, and caliper logs have been run and are on file with NMOCD.

XI. Based on a field inspection and a review of the State Engineer's records, there are no water wells within a one-mile radius.

XII. Ray Westall is not aware of any geologic or engineering data which may indicate the Wolfcamp, Cisco, or Canyon are in hydrologic connection with any underground sources of water. There are at least 81 Wolfcamp saltwater disposal or injection wells, 32 Cisco saltwater disposal or injection wells, and 62 Canyon saltwater disposal or injection wells in New Mexico.

XIII. Notice (this application) has been sent (Exhibit H) to the surface owner (Bogle Ltd. Company), lessor (NM State Land Office), and all leasehold operators or lessees (Apache, BP, Chevron, Devon, EOG, Khody, Mobil, Oxy, Quantum, Read & Stevens, and Yates Petroleum) within a half mile.

A legal ad (see Exhibit I) was published on April 20, 2012.

5/30/2005

Wellbore Diagram

r263

30-015-33628-00-00

BERETTA 26 STATE COM No. 001

Company Name: XERIC OIL & GAS CORP

Location: Sec: 26 T: 18S R: 28E Spot:
Lat: 32.7244682570909 Long: -104.143941686554

String Information

Property Name: BERETTA 26 STATE COM

County Name: Eddy

RECEIVED

MAY 27 2005

OCD-ARTERIA

Cement Information

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Sqz
0	0			

Formation Information

St Code	Formation	Depth
Psal	Salado	390
Pyts	Yates	842
Psr	Seven Rivers	1130
Psrbs	Bowers Sand	1530
Pqu	Queen	1745
Pgb	Grayburg	2274
Psa	San Andres	2570
Pbs	Bone Spring	3632
Pbs3sd	3rd Bone Spring Sand	8045
Pwc	Wolfcamp	8377
PPst	Strawn	9558
Ppat	Atoka	10186

Hole: Unknown

TD:

TVD: 0

PBTD:

INSTRUCTIONS

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

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico			Northwestern New Mexico		
T. Anhy		T. Canyon	9,520	T. Ojo Alamo	T. Penn. "B"
T. Salt	440	T. Strawn	9,775	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt		T. Atoka	10,190	T. Pictured Cliffs	T. Penn. "D"
T. Yates	842	T. Miss		T. Cliff House	T. Leadville
T. 7 Rivers		T. Devonian		T. Menefee	T. Madison
T. Queen	1,745	T. Silurian		T. Point Lookout	T. Elbert
T. Grayburg		T. Montoya		T. Mancos	T. McCracken
T. San Andres	2,570	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta		T. McKee		Base Greenhorn	T. Granite
T. Paddock		T. Ellenburger		T. Dakota	T.
T. Blinbry		T. Gr. Wash		T. Morrison	T.
T. Tubb		T. Delaware Sand		T. Todilto	T.
T. Drinkard		T. Bone Springs		T. Entrada	T.
T. Abo		T.		T. Wingate	T.
T. Wolfcamp	8,450	T.		T. Chinle	T.
T. Penn		T.		T. Permian	T.
T. Cisco (Bough C)	9,290	T.		T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

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

IMPORTANT WATER SANDS

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

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

LITHOLOGY RECORD (Attach additional sheet if necessary)

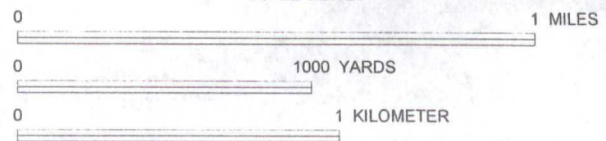
From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2100	3600	1500	Dolomite, sand, shale				
3600	6800	3200	Limestone, sand, shale				
6800	7100	300	Limestone, dolomite, shale				
7100	9300	2200	Limestone, shale, sand				
9300	10500	1200	Chert, limestone, shale & Sand				
10500	11200	700	Sand, shale, Limestone				

Beretta 26 State Com 1

NMSLO O&G lease
VB-2020-0000

EXHIBIT A

SCALE 1:23529



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Undesigned Morrow
Property Code	Property Name BERETTA "26" STATE COM.	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3476

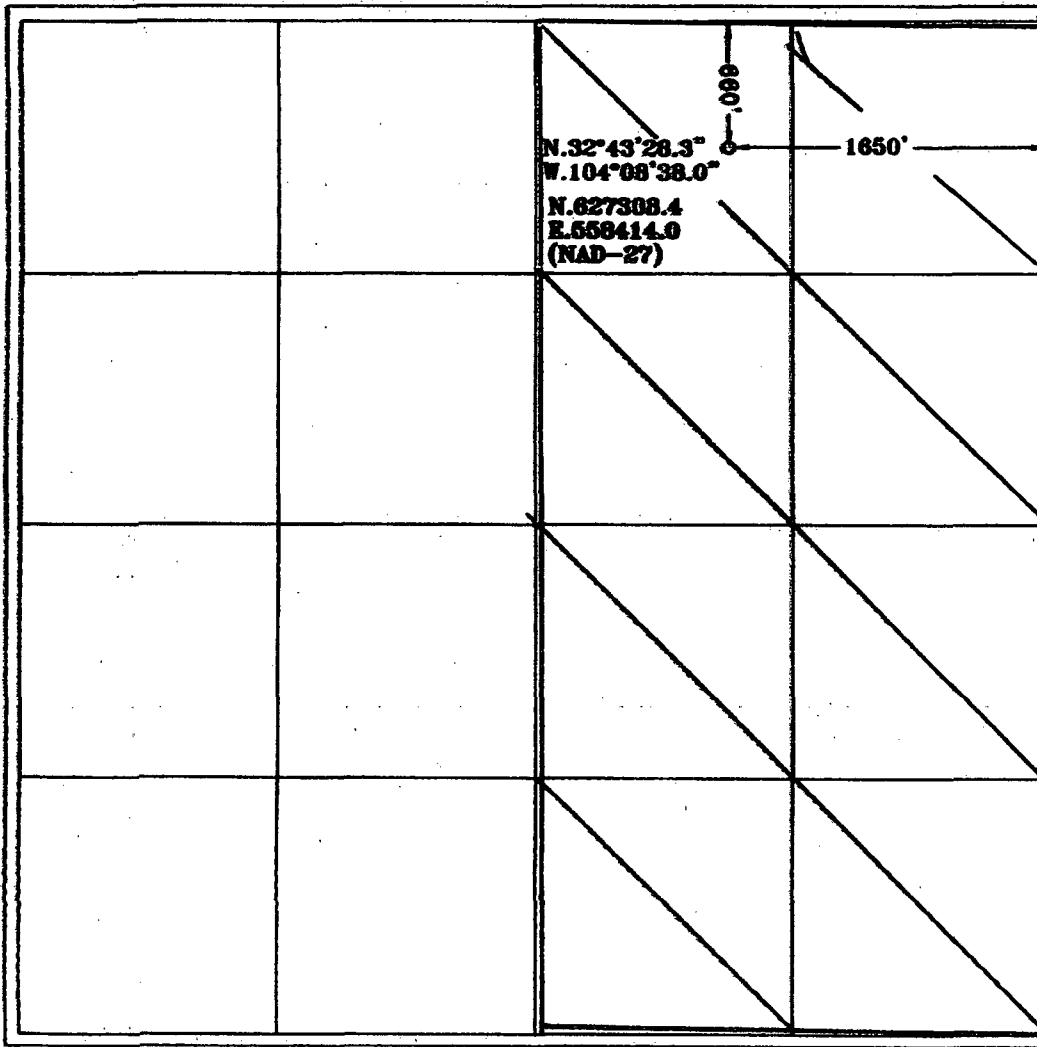
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	26	18S	28E		660	NORTH	1650	EAST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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



OPERATOR CERTIFICATION

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

Kristi Green
Signature

Kristi Green
Printed Name
Hobbs Regulatory
Title

09/13/04
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown
on this plat is correct to the best of my belief.
EXHIBIT A
notes of
under my
supervision,
true and
correct to the best of my belief.

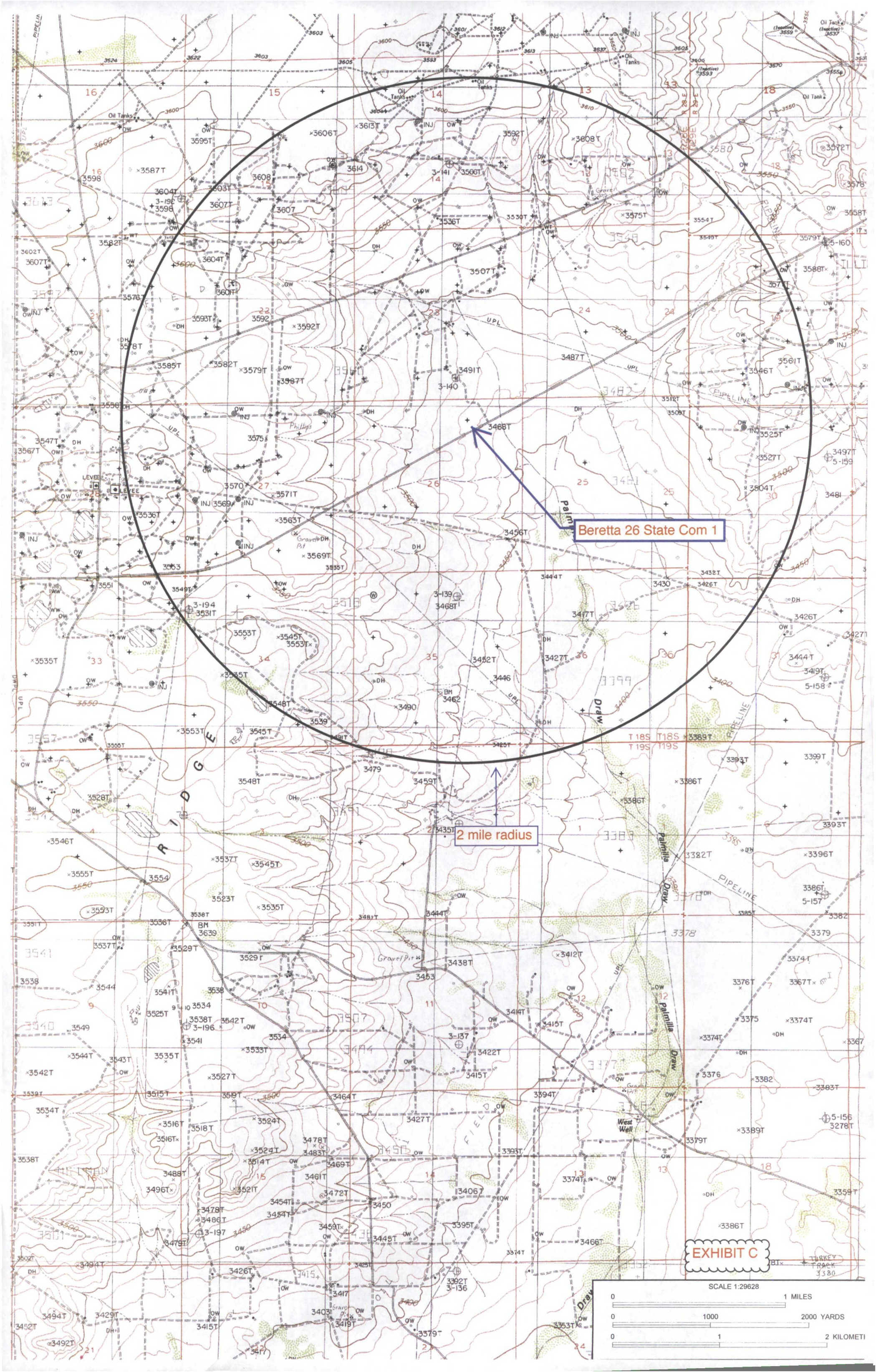
8/25/2004

Date Surveyed

Signature of
Professional Surveyor

HERSCHEL JONES
NEW MEXICO
3640
Certification No. Herschel Jones RLS 3640
BERETTA 26
GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



Beretta 26 State Com 1

2 mile radius

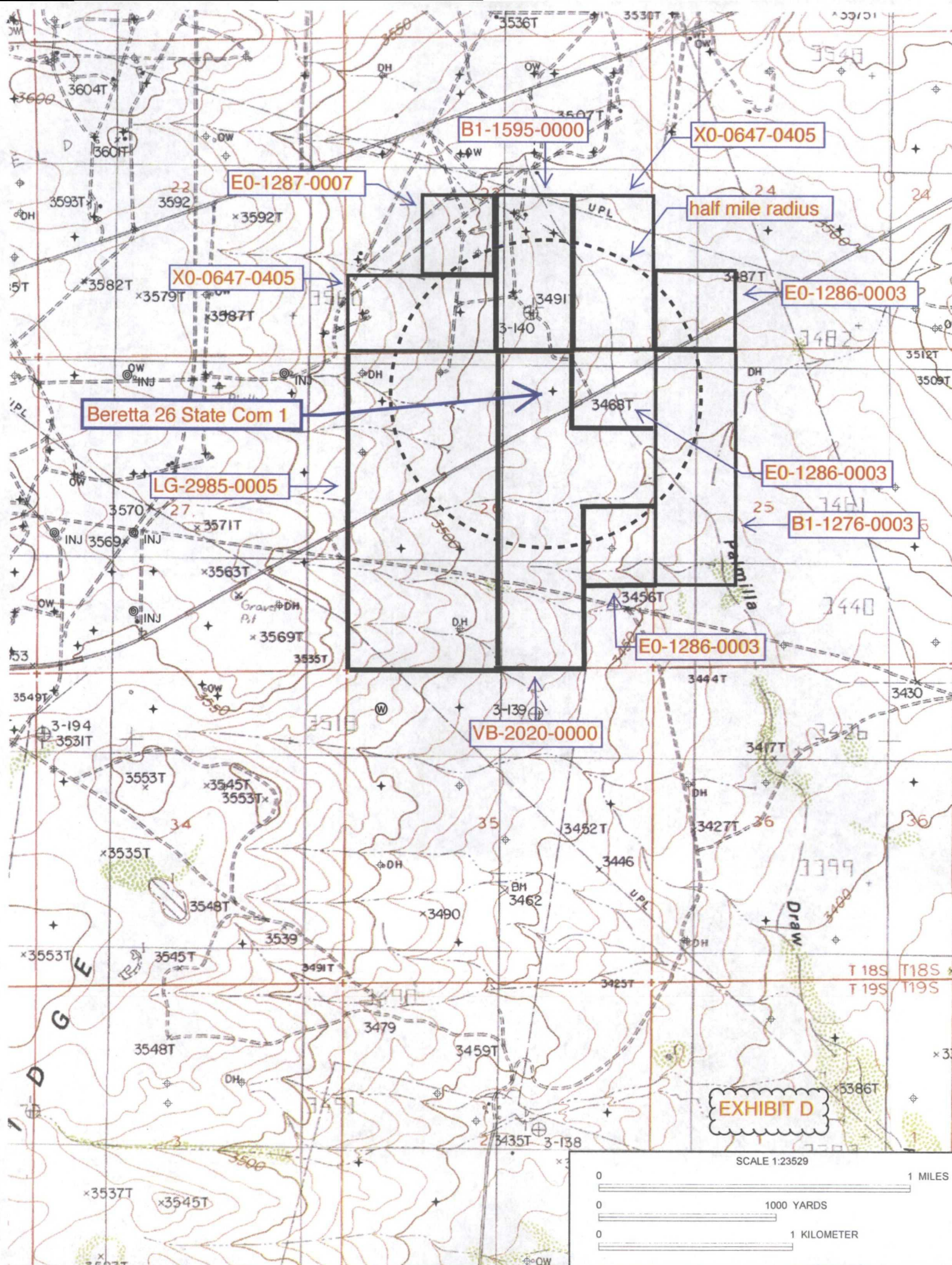
EXHIBIT C

SCALE 1:29628

1 MILES

0 1000 2000 YARDS

0 1 2 KILOMETRI



B1-1595-0000

X0-0647-0405

E0-1287-0007

half mile radius

X0-0647-0405

E0-1286-0003

Beretta 26 State Com 1

LG-2985-0005

E0-1286-0003

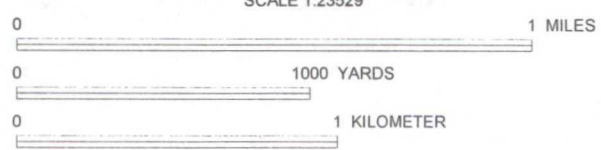
B1-1276-0003

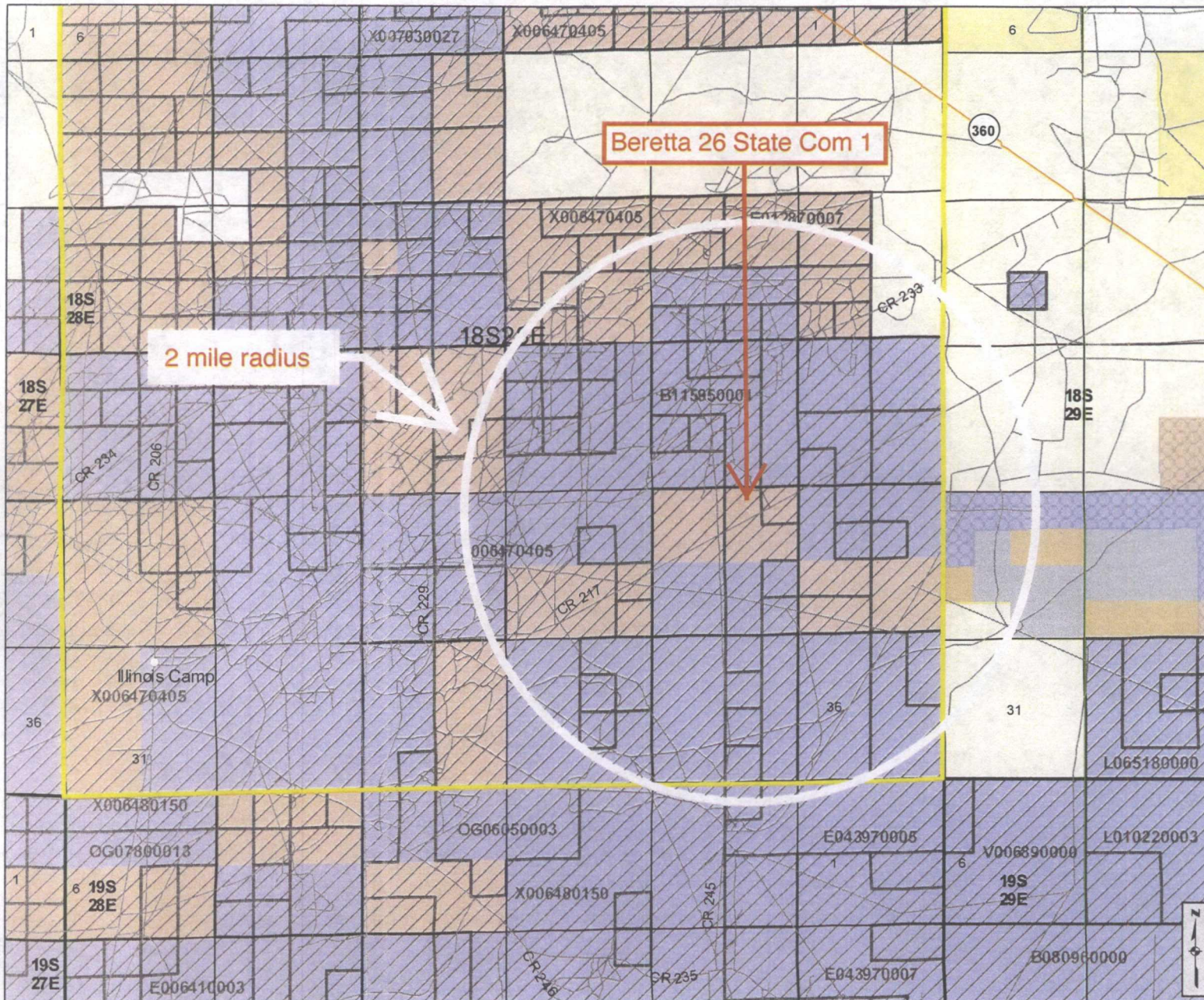
E0-1286-0003

VB-2020-0000

EXHIBIT D

SCALE 1:23529





Point Locations

- County Seat
- ▲ SLO District Offices
- City, Town or Village
- ★ Volcanic Vents
- Highway Mileposts

NMOCD Oil and Gas Wells

- Oil
- Injection
- ★ Carbon Dioxide
- Miscellaneous
- ✱ Gas
- ✳ Water
- ◇ DA or PA
- △ Salt Water Disposal

Federal Minerals

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Both Estates

NMSLO Leasing

- Option Agreement
- Commercial Lease
- Minerals Lease
- Oil and Gas Lease
- Agricultural Lease
- Not Available for Oil and Gas Leasing
- Restriction Influences Oil and Gas Leasing

Other Boundaries

- Continental Divide
- State Boundary
- County Boundaries
- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Potash Enclave (NMOCD R-111-P)

For detailed legend of the Geologic Map of New Mexico, please see <http://geoinfo.nmt.edu>

New Mexico State Land Office Oil, Gas, and Minerals

0 0.2 0.4 0.8 1.2 1.6
Miles

Universal Transverse Mercator Projection, Zone 13
1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
logic@slo.state.nm.us

Created On: 8/8/2012 11:03:22 AM





New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

should be 38E

(acre ft per annum)					(R=POD has been replaced and no longer serves this file, C=the file is closed)		(quarters are 1=NW 2=NE 3=SW 4=SE)		(quarters are smallest to largest)		(NAD83 UTM in meters)				
WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	6416 4	Sec	Tws	Rng	X	Y
L 01142	L	DOL	3	W L GREBON	LE	L 01142 POD1			Shallow	2	4	15	18S 28E	578921	3623453*
L 01150	L	DOM	3	A L KITE	LE = Lea → LE	L 01150 POD1			Shallow	1	1	35	18S 28E	579344	3619433*
RA 08235		STK	1.43	BOGLE FARMS	ED	RA 08235						07	18S 28E	573537	3625134*
RA 08236		STK	1	BOGLE FARMS	ED	RA 08236				3	3	08	18S 28E	574557	3624563*
RA 08237		STK	1.47	BOGLE FARMS	ED	RA 08237				3	3	08	18S 28E	574557	3624563*
RA 08238		STK	1.47	BOGLE FARMS	ED	RA 08238						21	18S 28E	576766	3621980*
RA 08239		STK	1.8	BOGLE FARMS	CH	RA 08239				1	1	30	18S 28E	572964	3620912*
RA 08240		STK	1.52	BOGLE FARMS	ED	RA 08240						32	18S 28E	575220	3618733*
RA 09001		OFM	5	ATLANTIC RICHFIELD COMPANY	ED	RA 09001				1	1	03	18S 28E	577707	3627449*
RA 09588		DOM	0	MARATHON OIL COMPANY	ED	RA 09588				1	2	33	18S 28E	576976	3619384*

Record Count: 10

PLSS Search:

Township: 18S Range: 28E

Sorted by: File Number

EXHIBIT G

*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.

8/10/12 2:06 PM

Page 1 of 1

ACTIVE & INACTIVE POINTS OF DIVERSION

21349

STATE ENGINEER-Carla Fe. N. M.
RECEIVED
JUL 6 1951
P.M.
8 9 10 11 12 1 2 3 4 5 6

IMPORTANT--READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM

APPLICATION FOR PERMIT

To appropriate the Underground Waters of the State of New Mexico
LEA COUNTY UNDERGROUND BASIN

- Application No. W-3950 Book 14-1 Date Received June 25, 1951
1. Name of applicant A. L. Kite
Postoffice address Hobbs, New Mexico
County of Lea, State of New Mexico
2. Source of water supply Lea County Shallow Water Basin
(state whether artesian or shallow ground water basin)
located in Lea County
(state whether underground stream, valley, artesian basin, etc.)
3. The well is to be located in the S $\frac{1}{2}$ S $\frac{1}{2}$ X NW $\frac{1}{4}$ NW $\frac{1}{4}$ of section 35, Township 18 South, Range 38 East, N.M.P.M. on land owned by A. L. Kite
4. Description of well: driller O. J. Barnes; depth to be drilled 126 feet; diameter (outside) of casing 8 inches; type of pump and power plant to be used Peerless Electric motor
5. Quantity of water to be appropriated and beneficially used 3 acre feet (feet depth or acre feet per acre) for Domestic use purposes.
6. Acreage to be irrigated 1 acre located and described as follows (describe only lands to be irrigated):

Subdivision	Sec.	Twp.	Range	Acres Irrigated	Owner
<u>S$\frac{1}{2}$ S$\frac{1}{2}$ NW$\frac{1}{4}$ NW$\frac{1}{4}$</u>	<u>35</u>	<u>18</u>	<u>38</u>	<u>1</u>	<u>A. L. Kite</u>

FILED
JUN 15 1951
OFFICE
ARTESIAN WELL SUPERVISOR
ROSWELL, NEW MEXICO

(Note: location of well and acreage to be irrigated must be shown on plat on reverse side.)

7. Time required to commence construction Well completed 1937
Time required to complete the works Well Completed
Time required to fully apply water to beneficial use 1 year
8. Additional statements or explanations (including data on any other water rights) City Water service inadequate to meet the demands of applicant for lawn, orchard and garden

RECEIVED

JUN 25 1951

STATE ENGINEER

BY

I, A. L. KITE, being first duly sworn upon my oath, depose and say that I have carefully read the foregoing statement and each and all of the items contained therein, and that the same are true to the best of my knowledge and belief.

A. L. Kite applicant

Subscribed and sworn to before me this 14th day of June, A.D., 1951

My Commission expires Feb. 12, 1955

Notary Public.

EXHIBIT G

L-1150

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

August 10, 2012

Bogle Ltd. Company
P. O. Box 460
Dexter, NM 88231

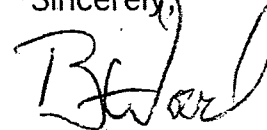
Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Beretta 26 State Com 1 (state lease) ID = 11,020'
Proposed Disposal Zone: Wolfcamp, Cisco, & Canyon (from 8,450' to 9,750')
Maximum Disposal Rate & Pressure: 10,000 bwpd & 1,690 psi
Location: 660' FNL & 1650' FEL Sec. 26, T. 18 S., R. 28 E., Eddy County, NM
Approximate Location: 11 air miles southwest of Loco Hills, NM
Applicant Name: Ray Westall Operating, Inc. (575) 677-2370
Applicant's Address: P. O. Box 4, Loco Hills, NM 88255

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The NMOCD address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal ServiceTM
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OFFICIAL USE	
Postage	\$
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.60

Postmark
AUG 13 2012
87552

Sent To
Bogle

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

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT H

August 10, 2012

Nick Jaramillo
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Nick,

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood

EXHIBIT H

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Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$6.60

Postmark
AUG 13 2012
87505

Sent To
NMSLO

August 10, 2012

Chris Lanning
Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705

Dear Chris,

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Ray Westall Operating, Inc. (575) 677-2370
Applicant's Address: P. O. Box 4, Loco Hills, NM 88255

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Please call me if you have any questions.

Sincerely,

Brian Wood

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Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$6.60

Postmark
AUG 13 2012
87505

Sent To
Apache

August 10, 2012

BP America Production Co.
 P. O. Box 3902
 Houston, TX 77252-3092

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant's Address: P. O. Box 4, Loco Hills, NM 88255

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Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

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OFFICIAL USE

Postage	\$	
Certified Fee	\$	
Return Receipt Fee (Endorsement Required)	\$	
Restricted Delivery Fee (Endorsement Required)	\$	
Total Postage & Fees	\$	6.60

Postmark: AUG 13 2012 87552

SENT BY: BP

SENT TO: [Blank]

PS Form 3800, August 2008

EXHIBIT H

August 10, 2012

Chevron USA Inc.
 P. O. Box 2100
 Houston, TX 77252

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Ray Westall Operating, Inc. (575) 677-2370
Applicant's Address: P. O. Box 4, Loco Hills, NM 88255

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The NMOCD address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

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Postage	\$	
Certified Fee	\$	
Return Receipt Fee (Endorsement Required)	\$	
Restricted Delivery Fee (Endorsement Required)	\$	
Total Postage & Fees	\$	6.60

Postmark: AUG 13 2012 87552

SENT BY: Chevron

SENT TO: [Blank]

PS Form 3800, August 2008

August 10, 2012

Devon Energy Production Co. LP
 20 N. Broadway, #1500
 Oklahoma City, OK 73102

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service
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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	6.60

Postmark Here
 AUG 13 2012

87551

Devon

PS Form 3820, August 2008 See Reverse for Instructions

EXHIBIT H

August 10, 2012

EOG Resources
 P. O. Box 4362
 Houston, TX 77210-4362

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Ray Westall Operating, Inc. (575) 677-2370
Applicant's Address: P. O. Box 4, Loco Hills, NM 88255

Submittal Information: Application for a saltwater disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The NMOCD address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service
CERTIFIED MAIL - RECEIPT
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OFFICIAL USE

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Total Postage & Fees	\$	6.60

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 AUG 13 2012

87551

EOG

PS Form 3820, August 2008 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Devon Energy Production Co. LP
 20 N. Broadway, #1500
 Oklahoma City, OK 73102

Westall - Beretta

2. Article Number
 (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

[Signature]

☐ Agent
☐ Addressee

B. Received by (Printed Name)

Luke Davis

C. Date of Delivery

15 AUG. 12

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

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7007 2560 0003 3108 7186

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

August 10, 2012

Khody Land & Minerals
3817 NW Expressway, #950
Oklahoma City, OK 73112-1488

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Beretta 26 State Com 1 (state lease) ID = 11,020'
Proposed Disposal Zone: Wolfcamp, Cisco, & Canyon (from 8,450' to 9,750')
Maximum Disposal Rate & Pressure: 10,000 bwpd & 1,690 psi
Location: 660' FNL & 1650' FEL Sec. 26, T. 18 S., R. 28 E., Eddy County, NM
Approximate Location: 11 air miles southwest of Loco Hills, NM
Applicant Name: Ray Westall Operating, Inc. (575) 677-2370
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Brian Wood
Brian Wood

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Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$6.60

Postmark Here
AUG 13 2012
87552

Sent to
Khody

PS Form 3800, August 2009

EXHIBIT H

August 10, 2012

Mobil Producing Texas & NM Inc.
P. O. Box 2305
Houston, TX 77210-2305

Ray Westall Operating, Inc. is applying (application attached) to convert the Beretta 26 State Com 1 to a salt water disposal well. As required by the NM Oil Conservation Division, I am notifying you of the following plan. This letter is a notice only. No action is needed unless you have questions or objections.

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Approximate Location: 11 air miles southwest of Loco Hills, NM
Applicant Name: Ray Westall Operating, Inc. (575) 677-2370
Applicant's Address: P. O. Box 4, Loco Hills, NM 88255

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Sincerely,

Brian Wood
Brian Wood

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Total Postage & Fees \$6.60

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AUG 13 2012
87552

Sent to
Mobil

PS Form 3800, August 2009



August 10, 2012

Oxy USA WTP Ltd. Partnership
P. O. Box 4294
Houston, TX 77210

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Please call me if you have any questions.

Sincerely,

Brian Wood

EXHIBIT H



August 10, 2012

Quantum Resources Management, LLC
1401 McKinney St., Suite 2400
Houston, TX 77010

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Please call me if you have any questions.

Sincerely,

Brian Wood



August 10, 2012

Read & Stevens Inc.
P. O. Box 1518
Roswell, NM 86202

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Please call me if you have any questions.

Sincerely,

Brian Wood

EXHIBIT H



August 10, 2012

Yates Petroleum Corp.
105 S. 4th St.
Artesia, NM 88210

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Please call me if you have any questions.

Sincerely,

Brian Wood

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1-1st Package & Fees	\$	6.60

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AUG 13 2012

Read & Stevens

PS Form 3800, August 2010

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Return Receipt Fee (Endorsement Required)		2.35
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	6.60

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AUG 13 2012
87552

Yates

PS Form 3800, August 2010

Affidavit of Publication

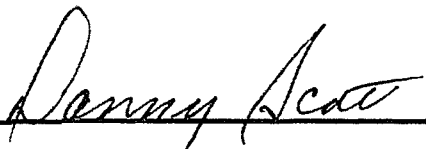
NO.

22115

STATE OF NEW MEXICO

County of Eddy:

Danny Scott



being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/days on the same

day as follows:

First Publication

April 20, 2012

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

20th day of

April

2012

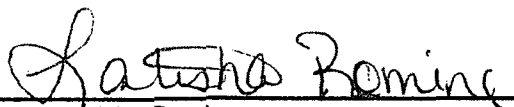


OFFICIAL SEAL

Latisha Romine

NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015



Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Ray Westall Operating, Inc. is applying for a saltwater disposal well. The Beretta 26 State Com #1 will be converted to a saltwater disposal well. Disposal will be in the Wolfcamp, Cisco, and Canyon from 8,450' to 9,750'. The well is located 11 miles southwest of Loco Hills at 660 FNL & 1650 FEL Sec. 26 T. 18 S. R. 28 E., Eddy County. Maximum disposal rate will be 10,000 bwpd. Maximum injection pressure will be 1,690 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days. Additional information can be obtained by contacting Brian Wood, Permits West, Inc., 37 Verano Loop, Santa Fe, NM 87508. Phone number is (505) 466-8120. Published in the Artesia Daily Press, Artesia, N.M., April 20, 2012. Legal No 22115.

EXHIBIT I

Jones, William V., EMNRD

From: Brian Wood <brian@permitswest.com>
Sent: Wednesday, August 29, 2012 4:49 PM
To: Jones, William V., EMNRD
Subject: Re: Change of Operator - XOG to Ray Westall OGRID 18862
Attachments: Devon green card.PDF

Thanks

I forwarded Dorothy's requests to Ray

Attached is the green card from Devon.

I have not heard anything from Devon to date.

On Aug 29, 2012, at 4:14 PM, Jones, William V., EMNRD wrote:

Hello Brian,

As you can see from the email below – Ray Westall needs to get with Dorothy to operate wells as a corporation. And I cannot process this SWD application for the Beretta 26 State #1 30-015-33628 without an operator name with a valid registration/bond with Dorothy.

This well is also still shown under XOG and XOG shows to be needing two individual well bonds – one is for this well. If the well changes operator to some valid Ray Westall entity and bonding is in place, then I could release this permit.

I have looked it over otherwise and Devon has the pertinent nearby (approx. ½ mile away) marginal Strawn production which is very close under the proposed disposal interval. If Devon has no objections, it looks OK to me. We may require an injection survey to verify where the fluid is going, but that is somewhat routine.

Regards,

Will Jones

From: Phillips, Dorothy, EMNRD
Sent: Wednesday, August 29, 2012 3:31 PM
To: Jones, William V., EMNRD
Subject: Change of Operator - XOG to Ray Westall OGRID 18862

Just as a follow up to our conversation, Ray Westall as an individual is registered as an operator with the OCD with a \$50,000 blanket bond. We do not recognize Ray Westall as a corporation. I show a change of operator in DRAFT status meaning one of the operators has not certified the change so it has not come to me for approval. If Ray Westall is going to operate the well, then he needs a bond in the amount of \$16,020 as the well he is purchasing from XOG has not produced since 10/07. If he is going to operate the well under Ray Westall Corporation, then he has to go through our registration process to be recognized as a bonded operator under the corporate name. Then he will have to transfer the well from XOG into the new entity. Here is a copy of the draft change of operator.

From Operator XOG OPERATING LLC OGRID 236790
To Operator RAY WESTALL OGRID 18862
Wells Selected for Transfer, Permit 146694
Permit Status: DRAFT

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, August 29, 2012 4:16 PM
To: brian@permitswest.com
Cc: Slack, Ronnie
Subject: FW: Change of Operator - XOG to Ray Westall OGRID 18862

Hello Brian,

As you can see from the email below – Ray Westall needs to get with Dorothy to operate wells as a corporation. And I cannot process this SWD application for the Beretta 26 State #1 30-015-33628 without an operator name with a valid registration/bond with Dorothy.

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To Operator RAY WESTALL OGRID 18862
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Permit Status: DRAFT

OCD District: Artesia

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
302629 BERETTA 26 STATE COM #001	S	B-26-18S-28E	B	30-015-33628	G	97092	LOCO HILLS:WOLFCAMP,NW	10/07	16020
BERETTA 26 STATE COM #001	S	B-26-18S-28E	B	30-015-33628	G	96632	ILLINOIS CAMP, B.S., EAST	10/07	

Total Additional bond

16020

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



September 7, 2012

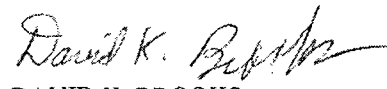
Ray Westall
P.O. Box 4
Loco Hills, NM 88255

RE: S16,020 One-Well Plugging Bond
Ray Westall, Principal
RLI Insurance Company, Surety
API 30-015-33628
Beretta 26 State Com No. 1
660' FNL and 1650' FEL
Section 26, Township 18 South, Range 28 East
Eddy County, NM
Bond No. RLB0014766

Dear Mr. Westall:

The New Mexico Oil Conservation Division hereby approves the above-captioned one-well plugging bond.

Sincerely,


DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Artesia

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

Jones, William V., EMNRD

From: Brian Wood <brian@permitswest.com>
Sent: Monday, September 24, 2012 4:38 PM
To: Jones, William V., EMNRD
Subject: Re: Disposal application from Ray Westall Operating, Inc.: Beretta 26 State #1 (30-015-33628) Wolfcamp Cisco Canyon perforations from 8450 to 9750 feet

Thanks

I e-mailed the Westall folks this morning on this topic.

I'll follow up with them.

On Sep 24, 2012, at 3:44 PM, Jones, William V., EMNRD wrote:

Hello Brian, (Please pass this on to Ray Westall)

Concerning the pending SWD application, just giving you an update from what I see and after talking with our Bonding person.

Apparently the District has the change of operator form pending, changing this well to Ray Westall (OGRID 18862). Also the Division attorney (David Brooks) has the bond pending for the subject well submitted by Ray Westall. And Ray Westall (18862) is bonded as an operator with the Oil Conservation Division.

The only issue remaining is that this SWD application was submitted in the name of Ray Westall Operating, Inc. which apparently is an entity registered with the Public Regulation Commission but not yet registered or bonded by the Oil Conservation Division.

I talked to our bonding person (Dorothy Phillips) today and she says to call her if you wish to set up that entity so I could draft up this SWD permit. If you wish to change the Operator name (Section II) of the C-108 to Ray Westall (OGRID 18862), let me know and I will ask our legal advisors how that can be done.

Hope all is well,

Regards,

Will Jones

From: Jones, William V., EMNRD
Sent: Wednesday, August 29, 2012 4:16 PM
To: brian@permitswest.com
Cc: Slack, Ronnie
Subject: FW: Change of Operator - XOG to Ray Westall OGRID 18862

Hello Brian,

As you can see from the email below – Ray Westall needs to get with Dorothy to operate wells as a corporation. And I cannot process this SWD application for the Beretta 26 State #1 30-015-33628 without an operator name with a valid registration/bond with Dorothy.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, September 24, 2012 3:44 PM
To: brian@permitswest.com
Cc: Dade, Randy, EMNRD; Phillips, Dorothy, EMNRD; Brooks, David K., EMNRD; Slack, Ronnie
Subject: Disposal application from Ray Westall Operating, Inc.: Beretta 26 State #1 (30-015-33628) Wolfcamp Cisco Canyon perforations from 8450 to 9750 feet

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From: Phillips, Dorothy, EMNRD

Sent: Wednesday, August 29, 2012 3:31 PM

To: Jones, William V., EMNRD

Subject: Change of Operator - XOG to Ray Westall OGRID 18862

Just as a follow up to our conversation, Ray Westall as an individual is registered as an operator with the OCD with a \$50,000 blanket bond. We do not recognize Ray Westall [Operating, Inc.].

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, September 25, 2012 4:01 PM
To: Phillips, Dorothy, EMNRD; Dade, Randy, EMNRD
Cc: Brooks, David K., EMNRD
Subject: RE: Change of Operator Ray Westall

Fine by me,
Because I will otherwise not know, someone from Ray Westall Operating, Inc. should let me know when all these changes have happened.

Thanks for this Randy and Dorothy and David,

Will

From: Phillips, Dorothy, EMNRD
Sent: Tuesday, September 25, 2012 10:50 AM
To: Dade, Randy, EMNRD; Jones, William V., EMNRD
Subject: Change of Operator Ray Westall

I just got off the phone with Rene Mathews 575-677-2370 with Ray Westall and she said they are going to create a new entity – Ray Westall Operating, Inc. They have already submitted the online registration and I have given it to Sonny for process. They are also registered with the NMPRC.

They want go ahead and approve the change of operators as they are now to Ray Westall below. They will be getting new bonds under Ray Westall Operating, Inc. so they can transfer everything from Ray Westall to Ray Westall Operating, Inc. Will you approve the changes?

From Operator XOG OPERATING LLC OGRID 236790
To Operator RAY WESTALL OGRID 18862
Wells Selected for Transfer, Permit 146694
Permit Status: REVIEW

OCD District: Artesia

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
BERETTA 26 302629 STATE COM #001	S	B-26-18S- 28E	B	30-015- 33628	G	97092	LOCO HILLS:WOLFCAMP,NW	10/07	16020
BERETTA 26 STATE COM #001	S	B-26-18S- 28E	B	30-015- 33628	G	96632	ILLINOIS CAMP, B.S., EAST	10/07	

Total Additional bond

16020

From Operator JKM ENERGY, LLC OGRID 163645
To Operator RAY WESTALL OGRID 18862
Wells Selected for Transfer, Permit 153131
Permit Status: REVIEW

OCD District: Artesia

Property Well	Lease	ULSTR	OCD API	Well	Pool	Pool Name	Last Additional
---------------	-------	-------	---------	------	------	-----------	-----------------

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, October 17, 2012 6:07 PM
To: Sharp, Karen, EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: SWD permit / 30-015-33628

Hey Karen and Dorothy,

I am confused also – Dorothy and David Brooks are not, thank heavens.

This was applied for in the Wolfcamp and Cisco/Canyon from depths of 8450 to 9750 feet and in the name of Ray Westall Operating, Inc. – and our system only has “Ray Westall”, so I cannot grant the SWD permit, it is in limbo here under my pile of other applications.

Last I heard they were going to register the longer name with the OCD and transfer all the wells to this longer name, but I see it has NOT been done.

Dorothy, have you heard anything?

Will

From: Sharp, Karen, EMNRD
Sent: Wednesday, October 17, 2012 4:12 PM
To: Jones, William V., EMNRD
Subject: SWD permit / 30-015-33628

Hi Will!

I have a C101 to add zones (Cisco and Canyon) to this well and TC has a note that as of 8/27/12 he was anticipating SWD approval for this well. Order would be for pools 96136 and 96184. Could you please let me know if this potential permit exists? ONGARD currently has this well down hole commingled in the Bone Spring and Wolfcamp and classified as a gas well. I am thoroughly confused: not an unusual state of mind for me.

Thanks so much!

Karen Sharp
NMOCD District II
(575) 748-1283 x 109

"There are many things in life that will catch your eye, but only a few will catch your heart...pursue those..."

From Operator RAY WESTALL OGRID 18862
To Operator RAY WESTALL OPERATING, INC. OGRID 119305
Wells Selected for Transfer, Permit 156270
Permit Status: APPROVED

OCD District Hobbs

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
311819 WBP FEDERAL #001	F	M-8 -19S-32E	M	30-025-35296	O	41440	LUSK;BONE SPRING

OCD District: Artesia

Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
311815 BERETTA 26 STATE COM #001	S	B-26-18S-28E	B	30-015-33628	G	96632	ILLINOIS CAMP, B.S., EAST
BERETTA 26 STATE COM #001	S	B-26-18S-28E	B	30-015-33628	G	97092	LOCO HILLS;WOLFCAMP,NW
311816 COWTOWN LOYD #001	S	I-14-18S-28E	I	30-015-23618	O	59860	TRAVIS; UPPER PENN
311817 EMPIRE A FEDERAL COM #002	F	H-27-18S-29E	H	30-015-29618	G	86500	TURKEY TRACK;MORROW, NORTH (GAS)
311818 STATE CG #001	S	J-7 -18S-28E	J	30-015-25361	S	96184	SWD;CANYON

Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1362 Permit Date 10/23/12 UIC Qtr (QND)

Wells 1 Well Name(s): BERETA 26 STATE #1

API Num: 30-015-33628 Spud Date: 1/11/65 New/Old: N (UIC primacy March 7, 1982)

Footages 666 FNL / 1650 FEL Unit B Sec 26 Tsp 18S Rge 28E County EDDY

General Location:

Operator: RAY WESTALL OPERATING, INC. Contact BRIAN WOOD, AGENT

OGRID: 18862 RULE 5.9 Compliance (Wells) 0/5 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed 1/19/30 Current Status: TA - Last PROD 9/2007

Planned Work to Well:

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: ☒

Well Details:	Sizes	Setting	Stage	Cement	Cement Top and
	Hole.....Pipe	Depths	Tool	Sx or Cf	Determination Method
New ___ Existing ___ Surface	17 1/2 13 1/8	300'		400 SX	Surf
New ___ Existing ___ Interm	11 9 3/8	3014'		1250 SX	Surf.
New ___ Existing ___ LongSt	8 3/4 5 1/2	11920'	7518'	1820 SX (Cf/1900' CBL)	
New ___ Existing ___ Liner					
New ___ Existing ___ OpenHole					

Depths/Formations: Depths, Ft. Formation Tops?

Formation(s) Above	8450	WC	✓
Injection TOP:	8,450	WC	Max. PSI 1690 OpenHole ___ Perfs ✓
Injection BOTTOM:	9,750'	CISA Canyon	Tubing Size 2 1/8" Packer Depth 8350-8425'
Formation(s) Below	9290	CISCO	✓
	-9520	CANYON	✓
	9775	STRAWN	✓

Capstan Reef? (Potash?) Noticed? (WIPP?) Noticed? Salado Top/Bot 390 - ~ 840 Cliff House?

Fresh Water: Depths: 2 Formation QAL Wells? 0 Analysis? — Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: Yaso

Disposal Interval: Analysis? ✓ Production Potential/Testing: BS/WC Produced small amount

Notice: Newspaper Date 4/20/12 Surface Owner BOGLE Mineral Owner(s) SLO.

RULE 26.7(A) Affected Persons: DAVON CHEVRON/EOG RIS/KHODY BP/Y20 XOM/OXY APACHE Quinn

AOR: Maps? ✓ Well List? ✓ Producing in Interval? No Wellbore Diagrams? —

.....Active Wells 10 Repairs? 0 Which Wells? —

.....P&A Wells 0 Repairs? — Which Wells? —

Issues: Set CIBP @ 9800', Running Survey FOR DENW - ? Request Sent — Reply: —