

DATE IN 9/18/12	SUSPENSE	ENGINEER W Jones	LOGGED IN 9/19/12	TYPE SWD	APP NO PKUR1226345573
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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



Ray Westall
 Operating Inc
 Cawtownloyd
 #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 _____

[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.

Ben Stone
 Print or Type Name

Signature

Agent for Ray Westall

Title
 ben@sosconsulting.us
 e-mail Address

6/17/12

Date

2012 SEP 18 A 10:54
 RECEIVED OGD



SOS Consulting, LLC

September 17, 2012

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

Attn: Ms. Jami Bailey, Director

*Re: Application of Ray Westall Operating, Inc. to permit for salt water disposal
in its Cowntown Loyd No.1 well located in Section 14, Township 18 South, Range
28 East, NMPM, Eddy County, New Mexico.*

Dear Ms. Bailey,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to covert for disposal, the Cowntown Loyd No.1.

Ray Westall Operating seeks to optimize efficiency, both economically and operationally, of its operations. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights.

Published legal notice ran in the August 30, 2012 edition of the Artesia Daily Press and all offset operators and other interested parties have been notified individually. The legal notice affidavit is included in this application package. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on state lands and a copy of this application has been submitted to the State Land Office, Division of Oil, Gas and Minerals.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read 'Ben Stone'.

Ben Stone, Partner
SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: ***Salt Water Disposal*** and the application ***qualifies*** for administrative approval.
- II. OPERATOR: ***Ray Westall Operating, Inc.***
ADDRESS: ***P.O. 4, Loco Hills, NM 88255***
- CONTACT PARTY: ***Donnie Mathews (575) 677-2372***
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: ***All well data and applicable wellbore diagrams are attached hereto.***
- IV. ***This is not an expansion of an existing project.***
- V. ***A map is attached*** 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. ***A tabulation is attached*** of data on all wells of public record within the area of review which penetrate the proposed injection zone. ***(3 AOR wells penetrate subject interval - 2 P&A.) The data includes*** a description of each well's type, construction, date drilled, location, depth, and a schematic of any plugged well illustrating all plugging detail.
- VII. ***The following data is attached*** 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. ***Appropriate geologic data on the injection zone is attached*** 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. ***No stimulation program is proposed at this time.***
- *X. ***There is no applicable logging and test data on the well however, any previous well logs have been filed with the Division and they need not be resubmitted.***
- *XI. ***There are no domestic water wells within one mile the proposed salt water disposal well.***
- XII. ***An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found*** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. ***"Proof of Notice" section on the next page of this form has been completed.***
There are 6 offset operators within ½ mile - all have been noticed.
- 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: ***Ben Stone*** TITLE: ***SOS Consulting, LLC agent / consultant for Ray Westall Operating, Inc.***

SIGNATURE:  DATE: ***9/14/2012***

E-MAIL ADDRESS: ***ben@sosconsulting.us***

* 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 – *The following information and data is included:*

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 *pursuant to the following criteria is attached.*

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.

(OIL) UNDES. LOCO HILLS, WC, NW POOL
(OIL) TRAVIS, UPPER PENN POOL

County EDDY

Pool

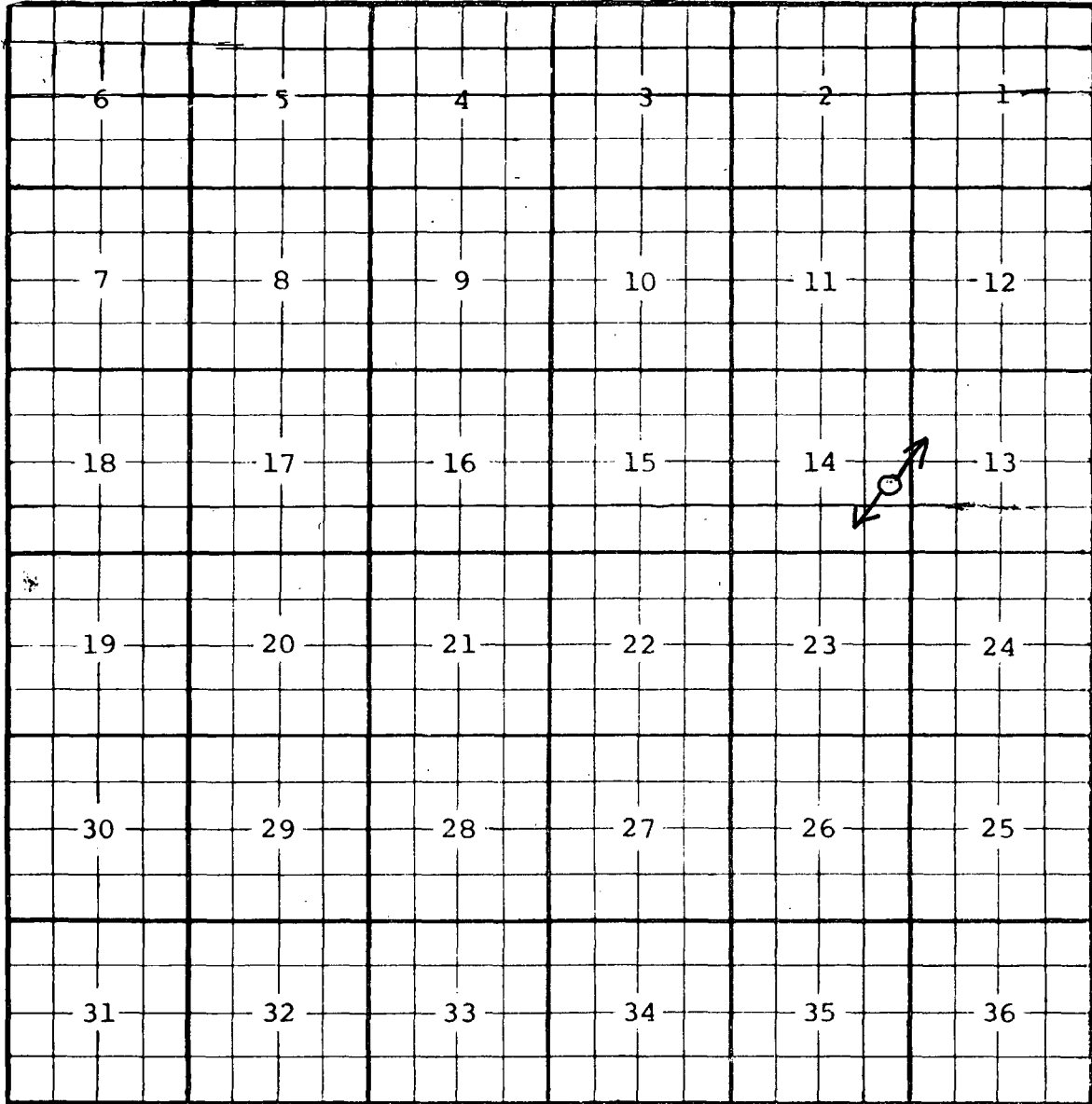
TOWNSHIP

18 S

Range

28 E

NMPM



Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-23618
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. ST647
7. Lease Name or Unit Agreement Name Cowtown Lloyd
8. Well Number #1
9. OGRID Number 10701
10. Pool name or Wildcat Loco Hills Wellcamp NW

11. Elevation (Show whether DR, RKB, RT (GR) etc.) 3573

Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls Construction Material _____

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

RECEIVED

JAN 20 2005

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Aspen Oil Inc.

3. Address of Operator
P.O. Box 2674

4. Well Location

Unit Letter **I** : **1830** feet from the **SL** line and **510** feet from the **EL** line
Section **14** Township **T8S** Range **28E** NMPM County **Eddy**

11. Elevation (Show whether DR, RKB, RT (GR) etc.)
3573

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____	Depth to Groundwater _____	Distance from nearest fresh water well _____	Distance from nearest surface water _____
Pit Liner Thickness: _____ mil	Below-Grade Tank: Volume _____ bbls	Construction Material _____	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☒
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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

- 12-2-04 RU wireline, set CIBP @ 835' cement @ 9000 to 9035, set another CIBP @ 8650, no cement, Filled casing w/ 130 bbls 2% KCL, RIT w/casing gun Perforated 2 SPF in 4 intervals 8511-15, 8541-49, 8558-64, 8578-84.
- 12-3-04 RIT w Arrow set packer 5 1/2 x 2 3/8, spotted 85% NEEFAcid 500m 8500 to 8590 set PKR @ 8400, Pumped 4000 Gal acid w/ 100 ball sealers, RU Swab, swabbed till dark.
- 12-4-04 SITP 275* Swabbed to SN SD for weekend.
- 12-6-04 SITP 375* RU Cudd treating, Pumped 215 bbls 20% NEEFAcid + 67 BBLs Glush SDN.
- SITP 2650* Flowed to O in 5 mins, Swabbed to SN, Unseated Packer RIT w/ Tapping & Rods, Turned on Pumpjack. Pumped 80 BBLs Water.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Larry Barnett TITLE President DATE 1-17-05

Type or print name
For State Use Only

E-mail address:

Telephone No.

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

WELL SCHEMATIC - CURRENT

Cowtown Loyd Well No. 1

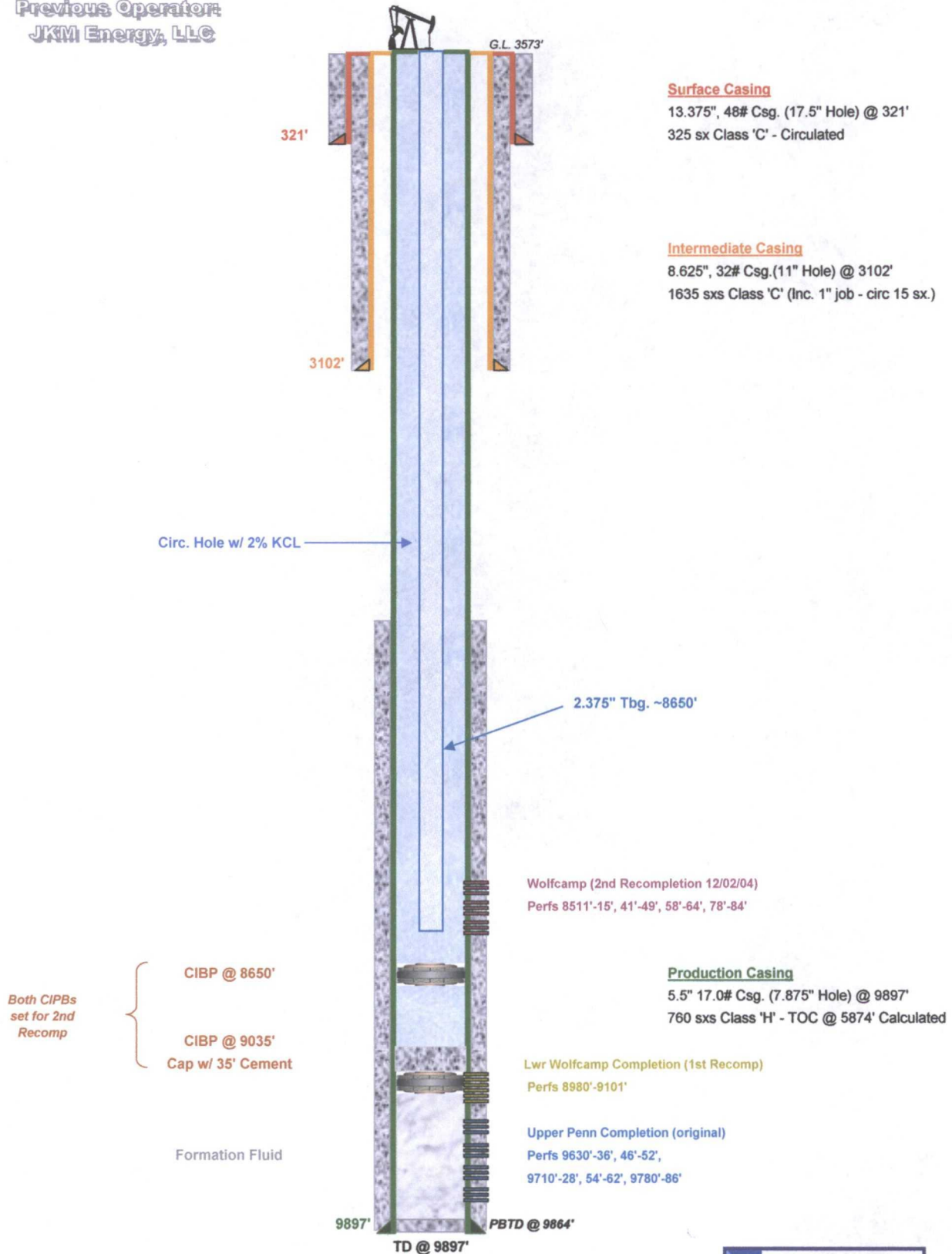
API 30-015-23618

1830' FSL & 510' FEL, SEC. 14-T18S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 2/02/1981

Shut In Date: 2007

Previous Operator:
JKM Energy, LLC



SOS Consulting, LLC

Drawn by: Ben Stone, 9/17/2012

WELL SCHEMATIC - PROPOSED
Cowtown Loyd Well No. 1

API 30-015-23618

1830' FSL & 510' FEL, SEC. 14-T18S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 2/02/1981
Shut In Date: 2007

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported

Surface Casing

13.375", 48# Csg. (17.5" Hole) @ 321'
325 sx Class 'C' - Circulated

Intermediate Casing

8.625", 32# Csg. (11" Hole) @ 3102'
1635 sxs Class 'C' (Inc. 1" job - circ 15 sx.)

Ray Westall Operating, Inc.

Annulus Loaded
w/ Packer Fluid

2.375" PC Tubing (or equivalent)
PKR ~8130'

PROPOSED DISPOSAL INTERVALS
(Selectively Perforated Intervals TO BE DETERMINED.)

TOP of INTERVAL
@ 8230' - Wolfcamp

*Restricted To
8510 To P*

NOTE: Existing perms within permitted interval
may or may not be utilized as specified intervals.

Production Casing

5.5" 17.0# Csg. (7.875" Hole) @ 9897'
760 sxs Class 'H' - TOC @ 5874' Calculated

Set CIBP @ ~9585'
(Isolate Existing Perfs)

BOTTOM of INTERVAL
@ 9540' - [Pennsylvanian] Canyon

SQZ Existing Perfs
Upper Penn Completion (original)

9897' TD @ 9897'
PBTD @ 9864'

SOS Consulting, LLC

Drawn by: Ben Stone, 9/17/2012

Form C-108 Item VI - Tabulation of AOR Wells

Depth to Top of Proposed
Injection Interval Wolfcamp 8230'Wells that penetrate
proposed injection zone.

Current Operator

API

Well Name

Well No.

Type Lease

Status

UL STR

Total Depth

Section 14 WellsSubject Well

Transit UPPER Perm (64 miles deep)

[163645] JKM ENERGY, LLC	30-015-23618	COWTOWN LOYD	#001	Oil	State	Active	I	14-18S-28E	9900'
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Wells in 1/2-Mile Area of Review

[9812] HEC PETROLEUM, INC	30-015-23350	STATE B 14 COM	#001	Oil	State	Plugged, Site Released	P	14-18S-28E	11307'
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[184860] MELROSE OPERATING COMPANY	30-015-01868	STATE 647 AC 713	#123	Oil	State	Plugged, Site Released	J	14-18S-28E	2572'
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[214263] PRE-ONGARD WELL OPERATOR	30-015-01865	PRE-ONGARD WELL	#001	Oil	State	Plugged, Site Released	O	14-18S-28E	2558'
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[243874] QUANTUM RESOURCES MGT, LLC	30-015-01864	STATE 14 B	#015	Oil	State	Active	P	14-18S-28E	2665'
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[243874] QUANTUM RESOURCES MGT, LLC	30-015-01860	STATE 14 C	#007	Oil	State	Active	G	14-18S-28E	2598'
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[243874] QUANTUM RESOURCES MGT, LLC	30-015-01861	STATE 14 C	#008	Oil	State	Active	H	14-18S-28E	2622'
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[243874] QUANTUM RESOURCES MGT, LLC	30-015-01869	STATE 647 AC 713	#124	Oil	State	Active	I	14-18S-28E	3054'
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Sections 13 and 23 Wells

[274841] ALAMO PERMIAN RESOURCES, LLC	30-015-01843	COWTOWN UNIT	#101	Oil	State	Active	K	13-18S-28E	3018'
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[274841] ALAMO PERMIAN RESOURCES, LLC	30-015-01844	COWTOWN UNIT	#102	Oil	State	Active	L	13-18S-28E	2943'
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[274841] ALAMO PERMIAN RESOURCES, LLC	30-015-01849	COWTOWN UNIT	#201	Oil	State	Active	M	13-18S-28E	2904'
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[10179] HARVEY E YATES CO	30-015-23859	TRAVIS DEEP OHIO COM	#001	Gas	State	Plugged, Site Released	M	13-18S-28E	11000'
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[258462] NADEL AND GUSSMAN HEYCO, LLC	30-015-22830	TRAVIS STATE	#001	Oil	State	Active	K	13-18S-28E	11061'
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[214263] PRE-ONGARD WELL OPERATOR	30-015-01837	PRE-ONGARD WELL	#001	Oil	State	Plugged, Site Released	M	13-18S-28E	2963'
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[243874] QUANTUM RESOURCES MGT, LLC	30-015-01840	STATE 14 B	#016	Oil	State	Active	E	13-18S-28E	2615'
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[243874] QUANTUM RESOURCES MGT, LLC	30-015-02021	STATE 647 AC 711	#125	Oil	State	Active	A	23-18S-28E	2896'
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COWTOWN UNIT
Canyon Wolfcamp

SOS Consulting, LLC

bunch TOP
215
Calc

PLUGGED WELL SCHEMATIC State 'B-14' Com Well No. 1

API 30-015-23350

660' FSL & 990' FEL, SEC. 14-T18S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 6/27/1980

P&A Date: 11/13/2002

Well plugged by:
H.E.C. Petroleum, Inc.

<PLUGGING ITEMS LISTED LEFT>

PLUGS:

Spot 15 sx
60'-0'

Spot 45 sx 459'
519'-319'

Spot 50 sx
3127'-2965'

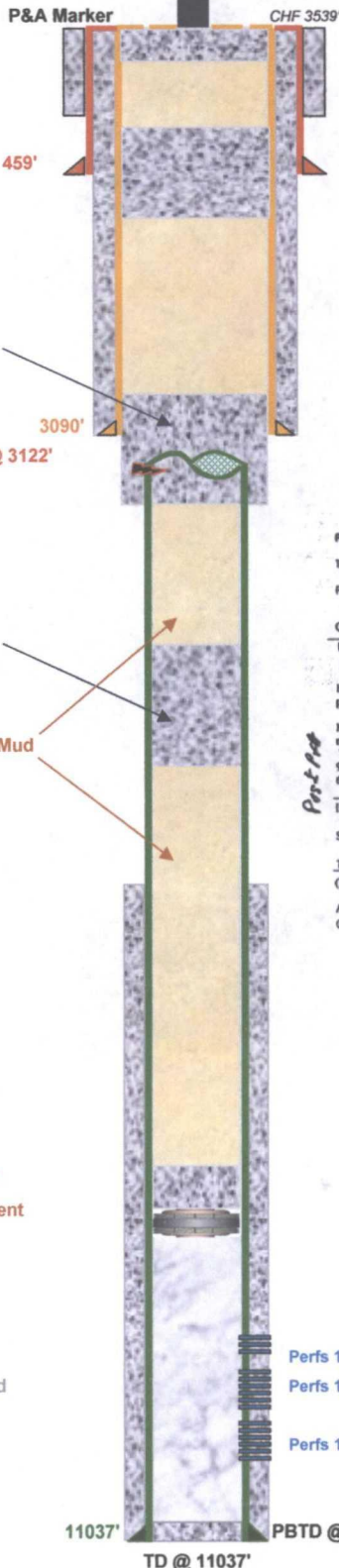
Shot & Pulled 5.5" @ 3122'

Spot 25 sxs
4450'-4197'
(Tag @ 4156')

Circ. Hole w/ 9.5# Mud

CIBP @ 9000'
Cap w/ 5 sx Cement

Formation Fluid



<PRE-P&A EXISTING ITEMS LISTED RIGHT>

Surface Casing

13.375", 48# Csg. (17.5" Hole) @ 459'

425 sx Class 'C' - Circulated 10 sx

Intermediate Casing

8.625", 32# Csg. (11" Hole) @ 3090'

800 sxs Class 'C' - Circulated 66 sx

<P&A SUBSEQUENT SUNDRY>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

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

H.E.C. Petroleum, Inc. Plugged and Abandoned the State B 14 Comm Well No. 1 on November 13, 2002 per the following procedure:

MIRU BCM Rig #22; POH with 301 ju 2-3/8" tbg and plr; Set CIBP @ 9,000' and capped with 5dx cmt; Circ hole with 9.5 PPG mud; Spot 25 sxs Class "C" cmt from 4,450'-4,197'; WOC; Tag Plug, not there; Spot 25 sxs Class "C" cmt from 4,450'-4,197'; WOC; Tag plug @ 4,156'; Cut 5-1/2" csg @ 3,122' POH and LD 11 ju 5-1/2" csg; R/L1 with tbg; Spot 50 sxs Class "C" cmt from 3,177'-2,965'; WOC; Tag plug @ 2,958'; Spot 45 sxs Class "C" cmt from 519'-319'; WOC; Tag plug @ 354'; Spot 15 sxs Class "C" cmt from 60'-Surface; ND WH; Install Dry Hole Marker; P&A 11/13/02.

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

SIGNATURE: Alan W. Bolding TITLE: Regulatory Analyst DATE: 12/04/2002

Type or print name: Alan W. Bolding Telephone No. (915) 498-8662

(This space for State use)

APPROVED BY: [Signature] TITLE: Field Sup P MAR 24 2003

Conditions of approval: [Signature]

Production Casing

5.5" 17 & 20# Csg. (7.875" Hole) @ 11037'

875 sxs Class 'H' - TOC @ 6610' Reported

Perfs 10690'-94'

Perfs 10708'-25'

Perfs 10729'-43'

11037'

PBTD @ 10950'

TD @ 11037'

SOS Consulting, LLC

Drawn by: Ben Stone, 9/13/2012

PLUGGED WELL SCHEMATIC

Travis Deep Ohio Com Well No. 1

API 30-015-23859

760' FSL & 660' FWL, SEC. 13-T18S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 9/19/1981

P&A Date: 3/21/2000

Well plugged by:
Harvey E. Yates Company

<PLUGGING ITEMS LISTED LEFT>

PLUGS:

Spot 10 sx
30'-0'

Spot 35 sx
408'-273'

Spot 50 sxs
3094'-2975'

Spot 50 sxs
3265'-3094' (Tagged)

Shot & Pulled 4.5" @ 3100'

Shot Csg. @ 3202'
(Unable to Pull)

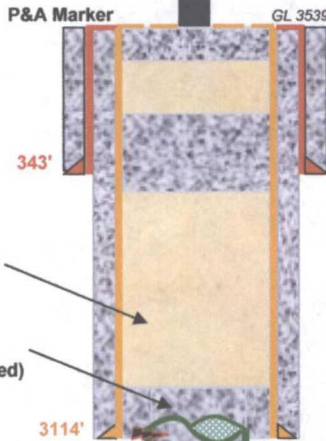
Circ. Hole w/ 10# Mud

Shot Sqz. Holes @ 6259'
Sqz. w/ 35 sx
(Tag @ 6088')

CIBP @ 10599'
Cap w/ 35' Cement

Formation Fluid

CIBP @ 10840'
Recomplete Uphole



<PRE-P&A EXISTING ITEMS LISTED RIGHT>

Surface Casing

13.375", 54.5# Csg. (17.5" Hole) @ 343'
390 sx Class 'C' - Circulated

Intermediate Casing

8.625", 24 & 32# Csg. (11" Hole) @ 3114'
4780 sxs Class 'C' - Circulated

<P&A SUBSEQUENT SUNDRY>

11. NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK	<input type="checkbox"/>	PLUG AND ABANDON	<input type="checkbox"/>	REMEDIAL WORK	<input type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	COMMENCE DRILLING OPS.	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		<input type="checkbox"/>	CASING TEST AND CEMENT JOB	<input type="checkbox"/>
OTHER:			<input type="checkbox"/>	OTHER:	<input type="checkbox"/>

12. Describe Progress of Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1102

3-14-2000 PLUGGER NOTIFIED OCD OF ML.
3-15-2000 CIRC. HOLE FROM 8509' w/ 10# MUD TO SURFACE.
SPOT 25 SKS PLUG FROM 8509' TO 8159'.
TEST CSG. DID NOT HOLD. PERF @ 6259'. RHH w/ PKR TO 5840'. ESTABLISH INJ RATE & SHUT IN.
3-16-2000 SQZ 35 SKS TO 6159'. WOC. POOH w/ PKR. GHH w/ WIRELINE & TAG CMT @ 6088'.
3-17-2000 CUT BUT UNABLE TO PULL CSG @ 3202'. CUT CSG @ 3100'. LD CSG. SL.
3-20-2000 RHH w/ TBG TO 3265'. CIRC 100 MUD. SPOT 50 SKS @ 3265'. WOC. TAG @ 3094'. RE-SET PLUG w/
50 SKS @ 3094'. POOH.
3-21-2000 TAG PLUG @ 2995'. SPOT 25 SKS FROM 408-273'. SPOT 10 SK PLUG SURFACE PLUG @ 30'.
CUT OFF WH & INSTALL DRY HOLE MARKER.
CUT OFF ANCHORS, BACKFILL WORK PIT & CLEAN LOCATION. P&A COMPLETE.

SIGNATURE <i>[Signature]</i>		TITLE PROD. MGR. / ENGINEER	Date 3/29/00
TYPE OR PRINT NAME RAY F. NOLAN		TELEPHONE NO. 1-800-413-6601	
(This space for State use)		Approved by <i>[Signature]</i>	Date 5-23-00
Conditions of approval, if any:		TSR Field Rep I	

Production Casing

4.5" 10.5 & 11.6# Csg. (5.5" Hole) @ 11000'
800 sxs Class 'H' - TOC @ 8328' CBL

Perfs 10709'-56'
(Recompletion)

Perfs 10850'-58' (Original Comp.)

11000' TD @ 11000'
PBTD @ 10995'

SOS Consulting, LLC

Drawn by: Ben Stone, 9/13/2012

R 28 E

4 2500' 3 2676' 1 2706

4-A 3-A 3 2580' 5 2737' 2 2740' 2662' 2682'

2

2 2725' 1 2875 1 2820' 1-A 2537' 4 2710' 7 2692' 2 2724'

1 3810'

3687 10 11,140'/7-76

AMOCO PROD. Empire So. Op. Un.

3679 6 11,065'/7-75

3916'

MIDWEST OIL Empire So. Op. Un.

1215' 12,100'/8-71

10,988'/3-72 2750'

17 4636' 7 3520'

16 2731' 18 2760' 31 2660'

21 2750' 22 3635' 29 2654' 33 2615'

26 2754' 30 2610' 1 2642 5 2642

4 2581' 2 2595' 3 2636'

5 2588 6 2639' 1 2540'

1-A 3406' 2541' 4 2547'

3 2559' 7 2396' 8 2420'

118 2564'

9 2525'

14 2308' 119 2550' 123 2573'

124 3054' 15 2558' 11,037'/4-80

2565'

1 2517'

10 2520' 11 2535' 125 2896'

-6098

2-A 2677' AMOCO Empire So. Op. Un. 11,166'/7-78

2650' 3100' 2847

3 2681' 9 2697' 27 2865'

2683' 2717' 11,215'/7-80

H.E. YATES CO. Travis 12" Deep -6148

2717' 2912'

-6134

2481' 13 2700' 3654' 2938'

2630' 2615' 1770' 16 1770'

H.E. YATES CO. Travis 13" Slate -6164

3251' 3633' 11,100'/12-80 11,270'/11-77

-6165 -6194

1-A 2942' 3018' 3000' 3003'

11,061'/3-79 11,061'/7-79

H.E. YATES CO. Travis St. Com. -6200

3110' 2904' 2987' 3005'

Injection Well

1 Travis Deep Ohio Com.

2923' 1-Y 3000' 3049'

5-A 2666' 3-C 2668'

6-A 2719' 4-A 2878'

H.E. YATES CO. Bassett - Bimov

16 -6225 11,085'/9-77

-6220 12,210'/12-77

2-C 3595'

3008'

H.E. YATES CO. Travis Deep Un.

3302'

3030'

11,375'/1-77

5-B 2694'

2983'

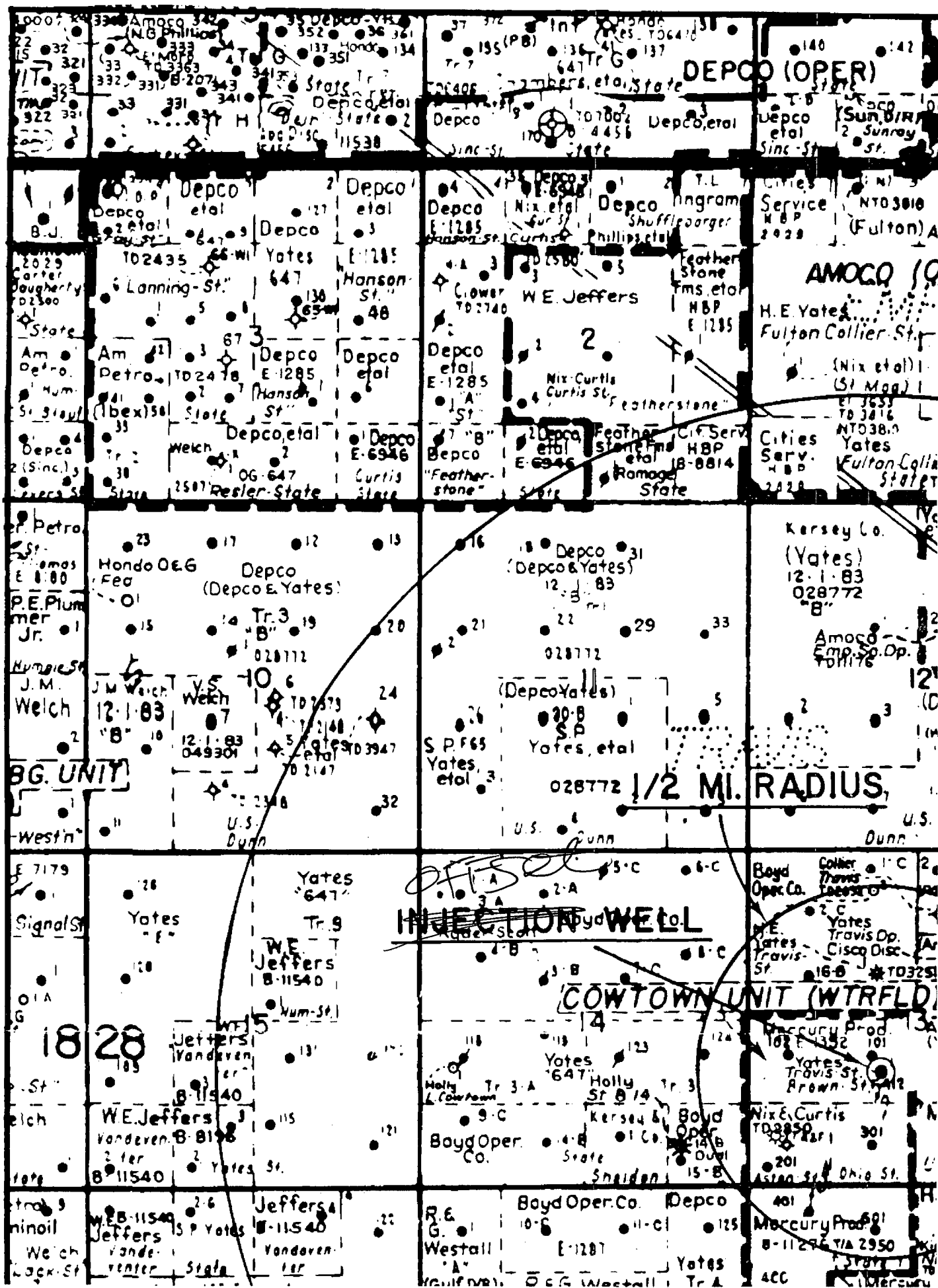
2314'

2728'

2433'

2461'

J.H. TRIGE Sivley-Yat



SECTION III, cont.

- B)
1. Travis Upper Penn (Canyon)
 2. Injection interval: 9816' to 9862' initially plus additional lower zone from 9880' to 9888'. (All cased)
 3. Original purpose of drilling well was for development of the Travis Upper Penn Pool, Canyon formation. Cumulative production to date: 53,270 BO/48,538 MCF.
 4. See diagramatic sketch of well bore, Section III (A).
 5. There are no other oil or gas zones producing above the Travis Upper Penn Pool, Canyon formation in the Travis Deep Unit Area at the present. The Cisco completion listed under the Travis Deep Unit #2 is the same Canyon pay. The next lower producing interval in the Travis Upper Penn Area is the Morrow formation, which is a Morrow Sand productive of gas at a depth of 10,645' in the proposed injection well.

Prepared by:
Ray F. Nokes
Reservoir Engineer
Harvey E. Yates Company
Roswell, NM 88201

SECTION VI

Well Name	Travis Deep Ohio Com	Travis Deep Unit	Trav
Well No.	Well #1	Well #2	Well
Legal Location	M, 760' FSL & 660' FWL Sec 13, T-18S, R-28E Eddy County, NM	G, 1980' FNL & 1780' FEL Sec 13, T-18S, R-28E Eddy County, NM	F, Sec Eddy
Field & Pool	South Empire Morrow	Travis Upper Penn (Canyon)	Trav
Spud Date	9-19-81	5-6-77	7-14
Completion Date	11-19-81	8-24-77	12-7
Type Completion	Morrow Gas Well	Canyon Penn Oil Well	Cany
TD	11,000'	11,270'	11,
PBTD	10,955'	11,223'	10,
Completion Interval	10,850-10,858' (OA)	9824-9903' (OA)	9824
Casing Design	13-3/8" to 343' w/390 sx 8-5/8" to 3114' w/4780 sx 5-1/2" to 11,000' w/800 sx	12-3/4" to 360' w/425 sx 8-5/8" to 3500' w/300 sx 5-1/2" to 11,268' w/950 sx	13- 8-5, 5-1,
Top of Cement @	8325' by CBL	7060' to Temp Survey	7140

Prepared by:
Ray F. Nokes
Reservoir Engineer
Harvey E. Yates Company
Roswell, NM 88201

C-108 ITEM VII – PROPOSED OPERATION

The Cowtown Loyd No.1 SWD will be operated as a commercial disposal service to area operators to facilitate in disposal of produced water from typical producing formations in the area. (Samples are included in this application from San Andres, Delaware and Morrow formation waters - chlorides and TDS are relative compatible with Wolfcamp and Canyon waters.)

The system will be closed utilizing a tank battery facility located on the well site.

Injection pressure will be 1646 psi with rates limited only by that pressure. In the future, Ray Westall Operating, Inc. may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available to Ray Westall's customers 24/7. The facility will be available for inspections at any time deemed necessary by OCD.

C-108 ITEM VIII – GEOLOGIC INFORMATION

The Wolfcamp formation is a mixed lithology system of interbedded carbonate and shale including considerable dolomite of medium to fine grains and minor sandstone. The formation thickness varies from about 400 to 500 feet of shales.

The [Pennsylvanian] Canyon formation consists of similarly medium-grained carbonates, primarily dolomite and porous and permeable sandstone interbedded with shale and is generally 150 to 200 feet in thickness.

There is potential sources of drinking water in the overlying sands occurring at a depth from surface of up to 250 feet. (Note: there are no known domestic water wells within one mile of the proposed SWD well.) The upper part of the section on average consists of 200 ft of Holocene alluvial deposits of caliche, sand, gravel, and clay. Included in this interval are red sandstone and shale of the Chinle formation and Santa Rosa sandstone and similar deposits of the Dewey Lake formation. These formations are underlain by the Rustler and Salado formations.

There are no known sources of water <10,000 mg/l TDS which underlie the injection zones.

W
12/10/12

SOS Consulting
PO Box 300
Como, Texas 75431
Attn. Mr. Ben Stone

Re: Ray Westall Operating, Inc.
Cowtown Loyd Well No. 1
I-14-18S-28E
API # 30-015-23618
SWD Application

Dear Mr. Stone

Per your request I have reviewed the above referenced application and will attempt to address Mr. William Jones concerns about the behind pipe potential and geologic impact that a disposal well in this area may have on any future development.

I reviewed the open hole logs on this well and several of the deeper surrounding wells. The previous operators of this well according to the NMOCD records have perforated all zones that exhibit any kind of porosity within the proposed injection. The 'cross-over' exhibited on the porosity log that was not perforated showed to be very tight with the resistivity log (where legible) showing water. The production performance of this well may be indicative of a limited and tight reservoir with the well making only 1559 barrels of oil, 21 to 22 MMcfg and 3570 barrels of water.

The Canyon formation in this area is generally a marginal producer of hydrocarbons due to the lack of porosity and permeability within these Dolomite pays. Going further to the south into the basin the lithology changes to limestone and bench sands can be found in the Canyon Formation and subsequently better economic wells.

The Wolfcamp formation, like the Canyon in this area is somewhat of a marginal producer as the dolomites lack permeability. Going to the north of this area the Wolfcamp dolomites at the shelf edge exhibit better permeability and many of these vertical wells will cumulate 35,000 to 50,000 bbls of oil. Because of the increased permeability of these dolomites this area has been an active with many horizontal drilling ventures.

In conclusion, I see no behind pipe potential in this well nor do I believe that the proposed injection interval will have any impact on any offsetting operations.

Sincerely
Roy Johnson
Consulting Geologist

C-108 - Item VII.5

Water Analysis - Source Water - SAN ANDRES

B J Services Water Analysis

Artesia District Laboratory
(505)-746-3140

Date: 8-Nov-00 Test #:
Company: SDX Resources Well #:
Lessor: Chalk Federal #2 County:
State: N.M. Formation: San Andres
Depth: 2900 Source:

pH: 6.51 Temp (F): 58.3
Specific Gravity: 1.12

CATIONS	mg/l	meq/l	ppm
Sodium (calc.)	64602	2370.7	48862
Calcium	3208	160.1	2684
Magnesium	1458	120.0	1302
Barium	< 25	—	—
Potassium	< 10	—	—
Iron	3	0.1	2

ANIONS	mg/l	meq/l	ppm
Chloride	93000	2023.4	63036
Sulfate	1071	22.3	957
Carbonate	< 1	—	—
Bicarbonate	878	14.4	784
Total Dissolved Solids (calc.)	154120		137607
Total Hardness as CaCO ₃	14014	280.0	12513

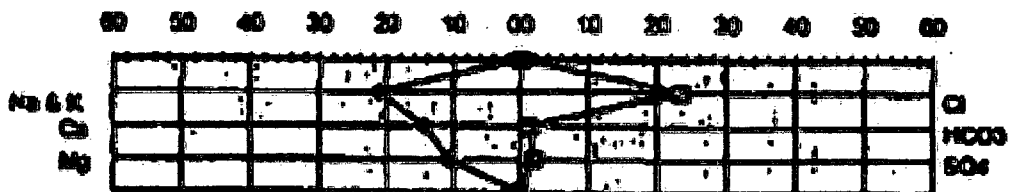
COMMENTS:

Raw 0.0647 @ 51.1 deg.

SCALE ANALYSIS:

CaCO ₃ Factor	2817207	Calcium Carbonate Scale Probability →	Probabl
CaSO ₄ Factor	3849600	Calcium Sulfate Scale Probability →	Probabl

SEI Plot



C-108 - Item VII.5

Water Analysis - Source Water - DELAWARE



Water Analysis

Date: 11-Jan-05

2700 West County Road, Hobbs NM 88240

Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Location	Well	City	State
Devon	Spud 16 State #1	Lee	New Mexico

Sample Source Sample Sample # 1

Formation Depth

Specific Gravity	1.185	SG @ 60 °F	1.185
pH	5.88	Sulfides	Absent
Temperature (°F)	65	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	73,885	in PPM	61,558
Calcium	in Mg/L	34,830	in PPM	28,428
Magnesium	in Mg/L	5,040	in PPM	4,214
Soluble Iron (FE2)	in Mg/L	50.8	in PPM	42

Anions

Chlorides	in Mg/L	183,800	in PPM	157,191
Sulfates	in Mg/L	550	in PPM	460
Bicarbonates	in Mg/L	78	in PPM	65
Total Hardness (as CaCO3)	in Mg/L	184,428	in PPM	157,616
Total Dissolved Solids (Calc)	in Mg/L	381,703	in PPM	312,268
Equivalent NaCl Concentration	in Mg/L	384,733	in PPM	312,908

Scaling Tendencies

*Calcium Carbonate Index 2,654,720

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 18,700,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks $rw=0.040 @ 63f$

C-108 - Item VII.5

Water Analysis - Source Water - MORROW



HALLIBURTON

**CENTRAL OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO**

COMPANY Morco

REPORT WD2-128
DATE June 18, 2002
DISTRICT Hobbs

SUBMITTED BY Jim Trele

WELL Ruger St. #1 **DEPTH** _____ **FORMATION** _____
COUNTY _____ **FIELD** _____ **SOURCE** _____

SAMPLE Morrow Prod. Water

Sample Temp.	<u>84</u> °F	_____ °F	_____ °F	_____ °F
RESISTIVITY	<u>0.13</u>	_____	_____	_____
SPECIFIC GR.	<u>1.040</u>	_____	_____	_____
pH	<u>8.89</u>	_____	_____	_____
CALCIUM	<u>4.500</u> mg/l	_____ mg/l	_____ mg/l	_____ mg/l
MAGNESIUM	<u>0.900</u> mg/l	_____ mg/l	_____ mg/l	_____ mg/l
CHLORIDE	<u>34.883</u> mg/l	_____ mg/l	_____ mg/l	_____ mg/l
SULFATES	<u>0.000</u> mg/l	_____ mg/l	_____ mg/l	_____ mg/l
BICARBONATES	<u>18</u> mg/l	_____ mg/l	_____ mg/l	_____ mg/l
SOLUBLE IRON	<u>0</u> mg/l	_____ mg/l	_____ mg/l	_____ mg/l
Sodium	_____ mg/l	<u>0</u> mg/l	<u>0</u> mg/l	<u>0</u> mg/l
TDS	_____ mg/l	<u>0</u> mg/l	<u>0</u> mg/l	<u>0</u> mg/l
OIL GRAVITY	<u>0</u> °	<u>0</u> °	<u>0</u> °	<u>0</u> °

REMARKS

MPL = Milligrams per Liter
Resistivity measured by: Charles2hm

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management. It may, however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

ANALYST: Mike Armstrong

C-108 - Item VII.5

Water Analysis - Disposal Zone



Water Analysis

Date: 2/24/2005

2401 Sivley, Artesia NM 88210

Phone (505) 746-3160 Fax (505) 746-2293

Analyzed For

Company	Well Name	County	State
Westall	State G#1	Eddy	New Mexico

Sample Source

Sample #

1

Formation

Canyon

Depth

Specific Gravity

1.080

SG @ 60 °F

1.031

pH

6.30

Sulfates

Not Tested

Temperature (°F)

65

Reducing Agents

Not Tested

Cations

Sodium (Calc)

in Mg/L

9,518

in PPM

9,058

Calcium

in Mg/L

5,600

in PPM

5,328

Magnesium

in Mg/L

240

in PPM

228

Soluble Iron (FE2)

in Mg/L

300.0

in PPM

285

Anions

Chlorides

in Mg/L

24,000

in PPM

22,835

Sulfates

in Mg/L

2,000

in PPM

1,903

Bicarbonates

in Mg/L

185

in PPM

178

Total Hardness (as CaCO3)

in Mg/L

15,000

in PPM

14,272

Total Dissolved Solids (Calc)

in Mg/L

41,844

in PPM

39,813

Equivalent NaCl Concentration

in Mg/L

38,410

in PPM

36,546

Scaling Tendencies

*Calcium Carbonate Index

1,033,464

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index

11,200,000

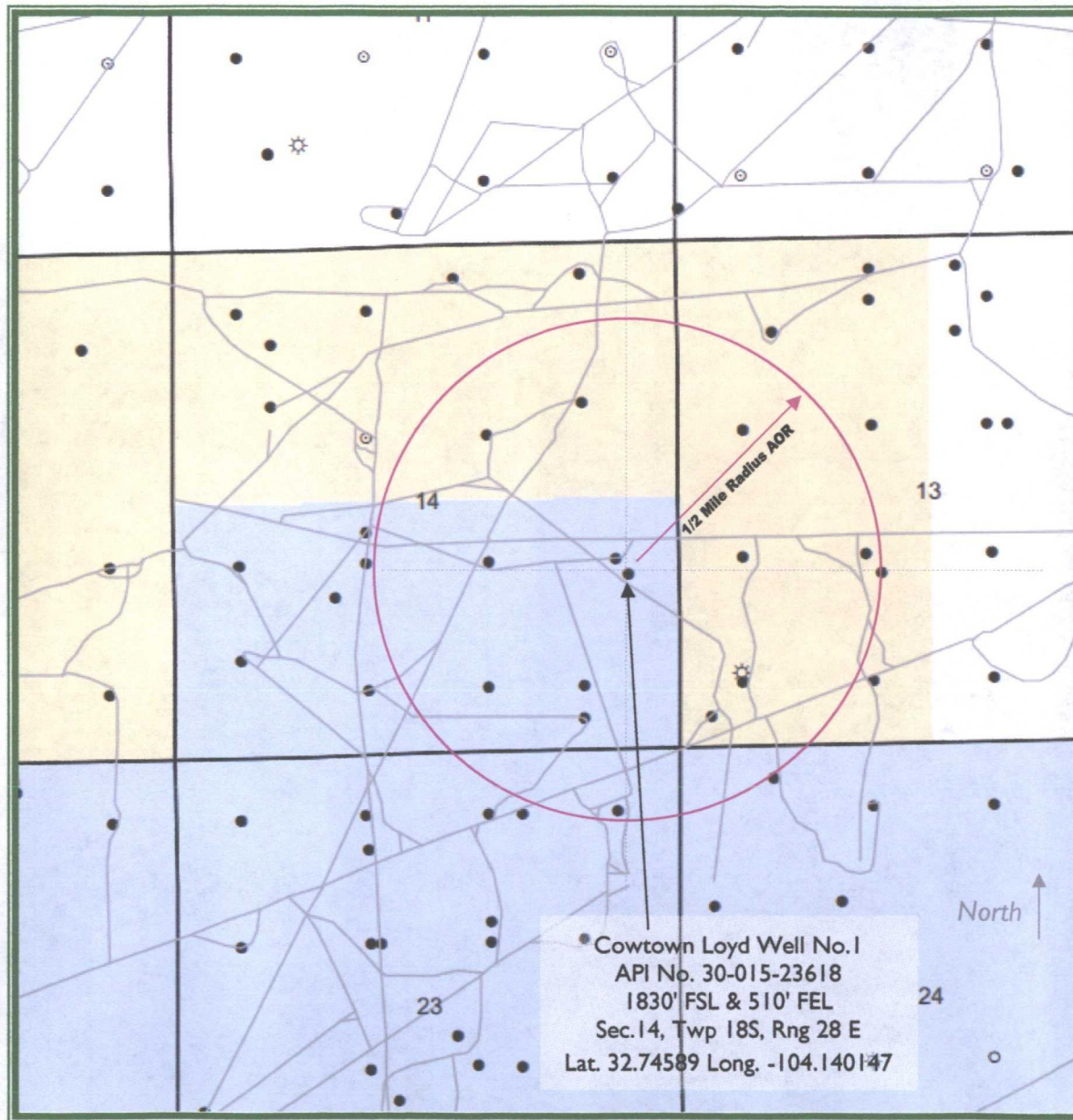
Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

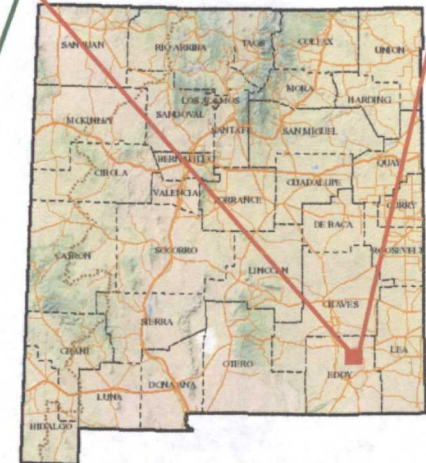
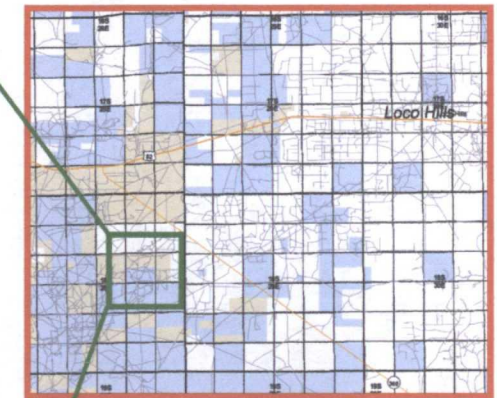
Remarks FAX 877-2381

Cowtown Loyd Well No.1 - Area of Review / Overview Map

(For inclusion with NMOCD Form C-108, Application for Authority to Inject.)



~10.0 miles Southwest of
Loco Hills, NM

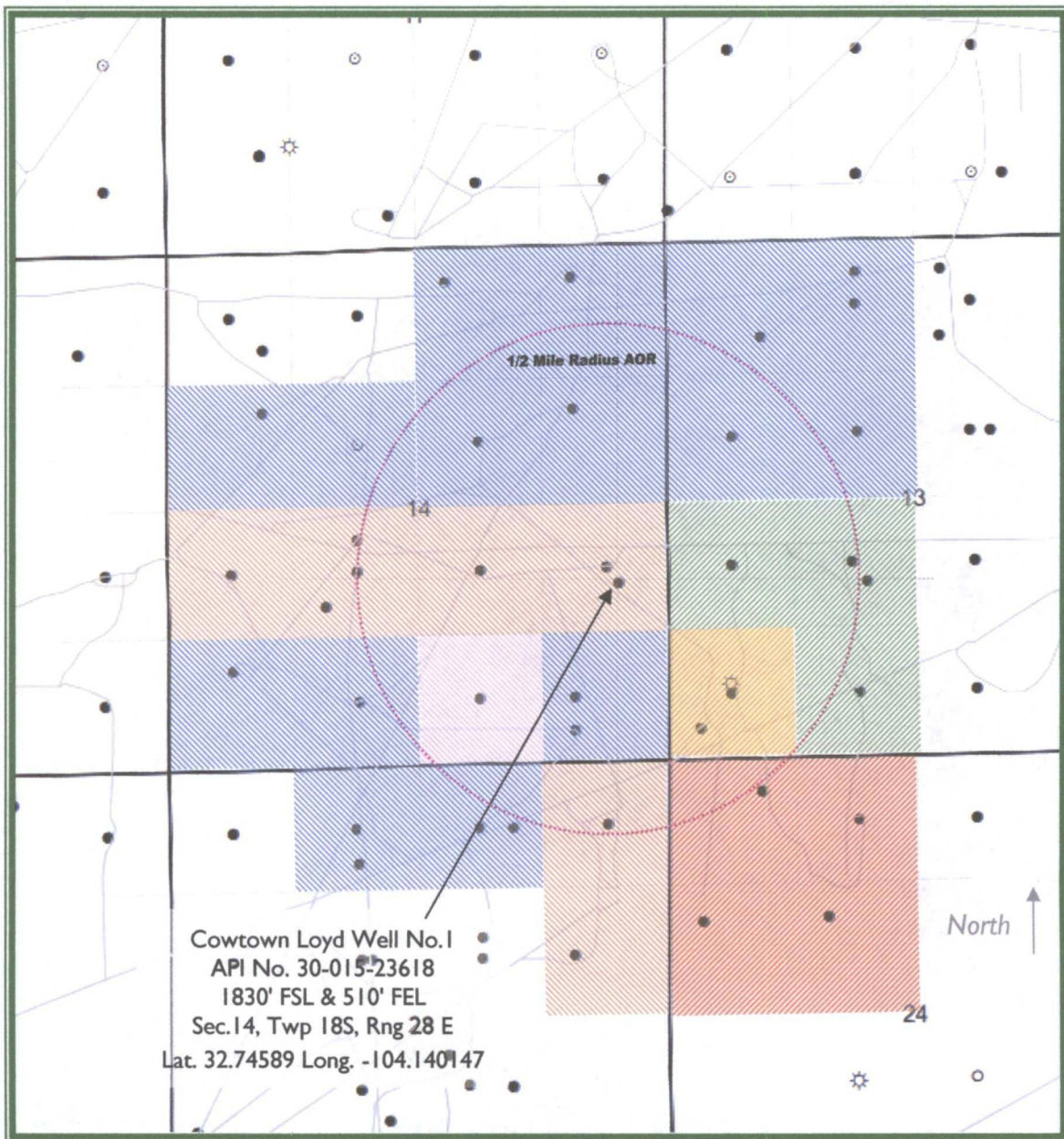


Eddy County, New Mexico

Ray Westall Operating, Inc.

Cowtown Loyd Well No.1 - Leasehold Plat

(For inclusion with NMOCD Form C-108, Application for Authority to Inject.)



Ray Westall Operating, Inc.

LEGEND

- EOG Resources AND Read & Stevens
- CBS Partners, LTD
- Della Sheldon / Pure Resources, LP
- Fair Oil, LTD. AND Eako, LLC
- Chevron Midcontinent, LP
- Khody Land & Minerals Company

>>> Research performed by C&G Records Research <<<

SOS Consulting, LLC



September 10, 2012

NOTIFICATION TO INTERESTED PARTIES

To Whom It May Concern:

Ray Westall Operating, Inc., Loco Hills, New Mexico, has made application to the New Mexico Oil Conservation Division to permit for salt water disposal its Cowtown Loyd Well No.1. The proposed operation will be for disposal of area produced water into the Wolfcamp and Pennsylvanian Canyon formations. As indicated in the notice, the well is located in Section 14, Township 18 South, Range 28 East in Eddy County, New Mexico.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on August 30, 2012.

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its Cowtown Loyd Well No.1. The well, API No.30-015-23618 is located 1830 FSL & 510 FEL in Section 14, Township 18 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be disposed into the Wolfcamp and Pennsylvanian Canyon formations through perforations between a maximum top of 8230 feet to maximum depth of 9540 feet (specific perforated intervals to be determined) at a maximum injection pressure of 1646 psi and a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850.

Thank you for your attention in this matter.

Best regards,

Ben Stone, SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application File

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

STATE OF NEW MEXICO (FedEx'ed copy)
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

OFFSET MINERALS LESSEES

EOG RESOURCES AND READ & STEVENS (USPS Certified Mail)
ATTN: Land Admin.
P. O. Box 4362
Houston, TX 77210-4362

CBS PARTNERS, LTD (USPS Certified Mail)
P. O. Box 2236
Midland, TX 79702-2236

DELLA SHELDON / PURE RESOURCES, LP (USPS Certified Mail)
PO Box 1188
Houston, TX 77251

FAIR OIL, LTD. AND EAKO, LLC (USPS Certified Mail)
P. O. Box 689
Tyler, TX 75710

CHEVRON MIDCONTINENT, LP (USPS Certified Mail)
PO Box 1635
Houston, TX 77251

KHODY LAND & MINERAL COMPANY (USPS Certified Mail)
3817 NW Expressway, Suite 950
Oklahoma City, OK 73112

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
811 S. First St.
Artesia, NM 88210

NEW MEXICO STATE LAND OFFICE (FedEx'ed copy)
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM

C-108 - Item XIV

Proof of Notice
LIST OF LESSEES WITHIN OR BORDERING AOR

Well Location Unit Letter 'T', Section 14, Twp 18S, Rng 28E

<i>S-T-R</i>	<i>Offset UL</i>	<i>Type</i>	<i>Lease No.</i>	<i>Lessee</i>
13-18S-28E	C	S	E0-1287-0007	EOG Resources & Read & Stevens
	D		"	"
14-18S-28E	A		"	"
	B		"	"
	G		"	"
	H		"	"
	M		"	"
14-18S-28E	O	S	E0-1287-0004	Della Sheldon / Pure Rscs
13-18S-28E	E	S	B1-1594-0008	EOG Resources & Read & Stevens
	F		"	"
14-18S-28E	E		"	"
	F		"	"
	N		"	"
	P		"	"
13-18S-28E	K	S	E0-1392-0014	CBS Partners, LTD
	L		"	"
13-18S-28E	M	S	B1-1594-0012	Fair Oil, LTD & EAKO, LLC
13-18S-28E	N	S	B0-8196-0015	CBS Partners, LTD
24-18S-28E	C	S	B1-1276-0004	Chevron Midcontinent, LP
	D		"	"
	E		"	"
	F		"	"
14-18S-28E	I	S	X0-0647-0405	Khody Land & Minerals
	J		"	"
	K		"	"
	L		"	"
24-18S-28E	A		"	"
	H		"	"
	I		"	"
	M		"	"
	N		"	"
	P		"	"

C-108 - Item XIV

Proof of Notice
LIST OF LESSEES WITHIN OR BORDERING AOR

Well Location Unit Letter 'I', Section 14, Twp 18S, Rng 28E

<i>S-T-R</i>	<i>Offset UL</i>	<i>Type</i>	<i>Lease No.</i>	<i>Lessee</i>
13-18S-28E	C	S	E0-1287-0007	EOG Resources & Read & Stevens
	D		"	"
14-18S-28E	A		"	"
	B		"	"
	G		"	"
	H		"	"
	M		"	"
14-18S-28E	O	S	E0-1287-0004	Della Sheldon / Pure Rscs
13-18S-28E	E	S	B1-1594-0008	EOG Resources & Read & Stevens
	F		"	"
14-18S-28E	E		"	"
	F		"	"
	N		"	"
	P		"	"
13-18S-28E	K	S	E0-1392-0014	CBS Partners, LTD
	L		"	"
13-18S-28E	M	S	B1-1594-0012	Fair Oil, LTD & EAKO, LLC
13-18S-28E	N	S	B0-8196-0015	CBS Partners, LTD
24-18S-28E	C	S	B1-1276-0004	Chevron Midcontinent, LP
	D		"	"
	E		"	"
	F		"	"
14-18S-28E	I	S	X0-0647-0405	Khody Land & Minerals
	J		"	"
	K		"	"
	L		"	"
24-18S-28E	A		"	"
	H		"	"
	I		"	"
	M		"	"
	N		"	"
	P		"	"

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$ 45 Certified Fee 295 Return Receipt Fee (Endorsement Required) 235 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 575	CEIPT Coverage Provided at www.usps.com USE CEIPT Coverage Provided at www.usps.com USE CEIPT Coverage Provided at www.usps.com USE
Sent To Street, Apt. No. or PO Box No. City, State, ZIP	CBS PARTNERS, LTD P. O. Box 2236 Midland, TX 79702-2236
PS Form 3800	COMO TX 75431 SEP 10 2012 USPS
U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
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Sent To Street, Apt. No. or PO Box No. City, State, ZIP	EOG RESOURCES AND READ & STEVENS ATTN: Land Admin. P. O. Box 4362 Houston, TX 77210-4362
PS Form 3800	COMO TX 75431 SEP 10 2012 USPS
U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$ 45 Certified Fee 295 Return Receipt Fee (Endorsement Required) 235 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 575	CEIPT Coverage Provided at www.usps.com USE CEIPT Coverage Provided at www.usps.com USE
Sent To Street, Apt. No. or PO Box No. City, State, ZIP	KHODY LAND & MINERAL COMPANY 3817 NW Expressway, Suite 950 Oklahoma City, OK 73112
PS Form 3800	COMO TX 75431 SEP 10 2012 USPS
U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$ 45 Certified Fee 295 Return Receipt Fee (Endorsement Required) 235 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 575	CEIPT Coverage Provided at www.usps.com USE CEIPT Coverage Provided at www.usps.com USE
Sent To Street, Apt. No. or PO Box No. City, State, ZIP	CHEVRON MIDCONTINENT, LP PO Box 1635 Houston, TX 77251
PS Form 3800	COMO TX 75431 SEP 10 2012 USPS
U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$ 45 Certified Fee 295 Return Receipt Fee (Endorsement Required) 235 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 575	CEIPT Coverage Provided at www.usps.com USE CEIPT Coverage Provided at www.usps.com USE
Sent To Street, Apt. No. or PO Box No. City, State, ZIP	FAIR OIL, LTD. AND EAKO, LLC P. O. Box 689 Tyler, TX 75710
PS Form 3800	COMO TX 75431 SEP 10 2012 USPS
U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$ 45 Certified Fee 295 Return Receipt Fee (Endorsement Required) 235 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 575	CEIPT Coverage Provided at www.usps.com USE CEIPT Coverage Provided at www.usps.com USE
Sent To Street, Apt. No. or PO Box No. City, State, ZIP	DELLA SHELTON / PURE RESOURCES, LP PO Box 1188 Houston, TX 77251
PS Form 3800	COMO TX 75431 SEP 10 2012 USPS

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

7009 2250 0002 8162 5975

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 45
Certified Fee	295
Return Receipt Fee (Endorsement Required)	235
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.75

Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4[®]
 ALAMO PERMIAN RESOURCES, LLC
 415 W. Wall Street, Suite 500
 Midland TX 79701

PS Form 3800

7009 2250 0002 8162 5944

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 45
Certified Fee	295
Return Receipt Fee (Endorsement Required)	235
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.75

Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4[®]
 QUANTUM RESOURCES MGT, LLC
 1401 McKinney St., Suite 2400
 Houston, TX 77010

PS Form 3800

Handwritten signature: OCT 28th

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

U.S. Postal Service CERTIFIED MAIL RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 45
Certified Fee	295
Return Receipt Fee (Endorsement Required)	235
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 575

7010 1060 0001 4403 6293

COMO TX 22 2012 USPS

CEIPT
Coverage Provided
www.usps.com

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Sent To:
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4[®]
 PS Form 3800

Bureau of Land Management
 Oil & Gas Division
 620 E. Greene St.
 Carlsbad, NM 88220

Total Postage & Fees \$ 575

7010 1060 0001 4403 6293

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CEIPT
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Sent To:
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4[®]
 PS Form 3800

CIMAREX ENERGY CO.
 600 N. Mariefeld St., Ste 600
 Midland, TX 79701

Total Postage & Fees \$ 575

7010 1060 0001 4403 6293

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 Street, Apt. No., or PO Box No.
 City, State, ZIP+4[®]
 PS Form 3800

WESTERN EQUIPMENT CO.
 P.O. Box 5457
 Midland, TX 79704

Affidavit of Publication

NO.

22286

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 August 30, 2012

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

30th day of August 2012



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015

Latisha Romine

Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal in its Cowntown Loyd Well No. 1. The well, API No. 30-015-23618 is located 1830 FSL & 510 FEL in Section 14, Township 18 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be disposed into the Wolfcamp and Pennsylvanian Canyon formations through perforations between a maximum top of 8230 feet to maximum depth of 9540 feet (specific perforated intervals to be determined) at a maximum injection pressure of 1646 psi and a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903) 488-9850. Published in the Artesia Daily Press, Artesia, N.M., Aug. 30, 2012. Legal No. 22286.

Inactive Well List

Total Well Count: 5 Inactive Well Count: 3

Printed On: Friday, October 26 2012

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-33628	BERETTA 26 STATE COM #001	B-26-18S-28E	B	119305	RAY WESTALL OPERATING, INC.	S	G	10/2007	WOLFCAMP / BONE SPRING		
2	30-015-23618	COWTOWN LOYD #001	I-14-18S-28E	I	119305	RAY WESTALL OPERATING, INC.	S	O	06/2007			
2	30-015-29618	EMPIRE A FEDERAL COM #002	H-27-18S-29E	H	119305	RAY WESTALL OPERATING, INC.	F	G	03/2009	N TURKEY TRACK MORROW		

WHERE Ogrid:119305, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Catch 22
There are all
Proposed DISPOSALS

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

NMOCD - ACOI- 269

IN THE MATTER OF RAY WESTALL OPERATING, INC.,

Respondent.

INACTIVE WELL
AGREED COMPLIANCE ORDER

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended ("Act") and OCD Rule 19.15.5.10(E) NMAC, the Director of the Oil Conservation Division ("OCD") and Ray Westall Operating, Inc. ("Operator") enter into this Inactive Well Agreed Compliance Order ("Order" or "ACOI") under which Operator agrees to plug, place on approved temporary abandonment status or restore to production or other beneficial use the wells identified herein pursuant to the Act and OCD Rule 19.15.25.8 NMAC in accordance with the following agreed schedule and procedures, and understands that the OCD may decide not to enter into any further agreed compliance orders with Operator if Operator fails to meet the schedule set out in this Order.

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the Act, and rules and orders adopted pursuant to the Act.
2. Operator is a corporation doing business in the state of New Mexico.
3. Operator is the operator of record under OGRID 119305 for the wells identified in Exhibit "A," attached.
4. OCD Rule 19.15.25.8 NMAC states, in relevant part:

 "A. The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.
 B. The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:

....
....

ACOI
Ray Westall Operating, Inc. OGRID 119305
Page 1 of 4

RECEIVED-OCD
2012 NOV 16 P 2:36

(3) a period of one year in which a well has been continuously inactive.”

5. The wells identified in Exhibit “A”

- (a) have been continuously inactive for a period of one year plus 90 days;
- (b) are not plugged or abandoned in accordance with OCD Rule 19.15.25.9 NMAC through 19.15.25.11 NMAC; and
- (c) are not on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.

CONCLUSIONS

- 1. The OCD has jurisdiction over the parties and subject matter in this proceeding.
- 2. The wells identified in Exhibit “A” are out of compliance with OCD Rule 19.15.25.8 NMAC.
- 3. As operator of the wells identified in Exhibit “A,” Operator is responsible for bringing those wells into compliance with OCD Rule 19.15.25.8 NMAC.

ORDER

- 1. Operator agrees to bring at least 1 of the wells identified in Exhibit “A” into compliance with OCD Rule 19.15.25.8 NMAC by June 18, 2013 by
 - (a) restoring the well to production or other OCD-approved beneficial use **and filing a C-115 documenting such production or use;**
 - (b) causing the wellbore to be plugged in accordance with OCD Rule 19.15.25.10(B) NMAC **and filing a C-103 describing the completed work;** or
 - (c) placing the well on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.
- 2. Oil and gas produced during swabbing does not count as production for purposes of this Order.
- 3. Operator shall file a compliance report identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status.) Transfer of a well identified on Exhibit “A” to another operator does not count towards Operator’s obligation to return wells to compliance under the terms of this Order, but does reduce the total number of wells for which Operator is responsible under the terms of this Order. The written compliance report must be mailed or e-mailed to the OCD’s Enforcement and Compliance Manager and to

ACOI

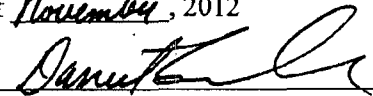
Ray Westall Operating, Inc. OGRID 119305

Page 2 of 4

the OCD attorney in charge of inactive well agreed compliance orders so that it is received by the compliance deadline of June 18, 2013.

4. Operator understands that if it fails to meet the terms of this Order, the OCD may decide not to enter into any further agreed compliance orders with Operator.
5. Thirty days after the compliance deadline set by this Order, any wells on Exhibit "A" not in compliance with OCD Rule 19.15.25.8 NMAC will appear on the inactive well list kept pursuant to OCD Rule 19.15.5.9(F) NMAC.
6. By signing this Order, Operator expressly:
 - (a) acknowledges the correctness of the Findings and Conclusions set forth in this Order;
 - (b) agrees to return to compliance at least 1 of the wells identified in Exhibit "A" by June 18, 2013;
 - (c) agrees to submit a compliance report as required in Ordering Paragraph 3 by the June 18, 2013 compliance deadline set by this Order;
 - (d) waives any right, pursuant to the Oil and Gas Act or otherwise, to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order; and
 - (e) agrees that the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act.
7. This Order applies only to the enforcement of OCD Rule 19.15.25.8 NMAC against those wells identified in Exhibit "A." Other wells operated by Operator out of compliance with OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules. Wells identified in Exhibit "A" that are out of compliance with the Oil and Gas Act or OCD Rules other than OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules.
8. The OCD reserves the right to file an application for hearing to obtain authority to plug any well identified in Exhibit "A" and forfeit the applicable financial assurance if the well poses an immediate environmental threat.

Done at Santa Fe, New Mexico this 20th day of November, 2012

By: 
Jami Bailey
Director, Oil Conservation Division

ACCEPTANCE

Ray Westall Operating, Inc. hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

Ray Westall Operating, Inc.

By: 

(Please print name) Ray Westall

Title: President

Date: 11-13-12

Exhibit A to Agreed Compliance Order for Ray Westall Operating, Inc.

Inactive Well List

Total Well Count: 5 Inactive Well Count: 3

Printed On: Tuesday, November 06 2012

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WHERE Ogrid:119305, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Ray Westall Operating, Inc.

By: 

Title: President

ACOI

Ray Westall Operating, Inc. OGRID 119305

Page 4 of 4

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, October 26, 2012 9:59 AM
To: Ben Stone
Cc: Shapard, Craig, EMNRD; Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; Swazo, Sonny, EMNRD; Brooks, David K., EMNRD
Subject: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Hello Ben (and Donnie Matthews):

The 3 inactive wells out of 5 seems to be rectified after those wells are converted to disposal as proposed – so I am going to proceed unless told differently.

I noticed that Alamo Permian Resources seems to operate the Cowtown Unit just to the east of here and it is producing from the Artesia group. That Unit included the Canyon at one time. Is the Unit depth limited now? (Alamo Permian was not noticed).

The structure of the Canyon seems to rise to the northwest of that old Canyon waterflood in the Cowtown Unit. That would make the subject well updip. I know there was some Canyon production in that well in the past. Would you have a geologist talk about the Canyon at this location and what recovery potential it would have in offsetting wells from the subject well? I see some gas cross over on the log...

There is one plugged well in the AOR that has measured cement top at 8328. The uppermost perf to date in the subject well is at 8510 feet. Would Ray Westall be OK with the top of the SWD interval being at 8510 feet?

Thank You!!

William V. Jones, P.E.
505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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From: Jones, William V., EMNRD
Sent: Friday, October 26, 2012 9:59 AM
To: Ben Stone
Cc: Shapard, Craig, EMNRD; Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; Swazo, Sonny, EMNRD; Brooks, David K., EMNRD
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William V. Jones, P.E.
505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

11/9/12
Still waiting on;
a. ACOI ✓ ~ 11/20/12
b. Geo Report
c. Suspense Period = 11/12/12

Jones, William V., EMNRD

From: Ben Stone <ben@sosconsulting.us>
Sent: Friday, October 26, 2012 1:17 PM
To: Jones, William V., EMNRD
Cc: Shapard, Craig, EMNRD; Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; Swazo, Sonny, EMNRD; Brooks, David K., EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Will,

Thank you for your response.

The Cowtown Unit was approved in 1964 to establish a waterflood. As with much of the waterflood activity in the area, the objective was some combination of the Queen, Grayburg and San Andres. There was no depth limitation specified in the unit agreement however, my research found no Canyon play was ever a part of that unit. Additionally, while there has indeed been some Canyon production in the area in the past, there is currently no production from the Canyon in the subject township. As a matter of fact, the only Canyon usage currently is for other approved SWDs. Interest in the Canyon interval has ceased in the area (the Upper Penn is quite active) so I'm dubious about the need for a geologist's opinion on the matter. I believe, concerning the local area, that; 1) cessation of pursuing Canyon production in the area by any operators and, 2) OCD approval of the Canyon formation for salt water disposal, would carry enough geologic opinion that my client can reasonably avoid costs for additional opinion in support of this application.

I will advise Ray Westall of your concerns - both the above item and, the situation with respect to the P&A well cement height relative to the zone of interest. I don't think it's unreasonable to drop the uppermost injection to the current top perf depth of 8510'. However, I also don't think there is much risk of that well being a conduit for upward fluid migration given that while it is located within the one-half mile AOR, it is still a substantial distance from the proposed SWD and the Wolfcamp has considerable vertical separation from producing activity in the area.

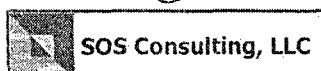
Also, I will be sending additional notice this afternoon to Alamo Permian as well as Quantum Resources - thank you for bringing this to my attention. (My efforts at automating some of the exhibit generation for application preparation is still being perfected!) This was an inadvertent oversight on my part. I'll forward proof of notice as soon as possible.

Thank you and I will be in touch after I speak with my client.

Please let me know if you have additional comments or concerns.

Best,

Ben



Ph: 903-488-9850 Ex: 866-400-7628
P.O. Box 300 - Como, TX - 75431

We just approved one of the three inactive wells yesterday for SWD.

This application appears approvable, after Ray Westall gets the geologists opinion and finishes the last notification.

So that brings it down to 1 inactive out of 5 wells.

Am I OK to release?

Thanks for looking at this.

Will

From: Swazo, Sonny, EMNRD

Sent: Friday, October 26, 2012 1:24 PM

To: Jones, William V., EMNRD

Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Will:

Is the application to turn all 3 of the inactive wells on the operator's IWL to compliance?

From: Jones, William V., EMNRD

Sent: Friday, October 26, 2012 9:59 AM

To: Ben Stone

Cc: Shapard, Craig, EMNRD; Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; Swazo, Sonny, EMNRD; Brooks, David K., EMNRD

Subject: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

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505-476-3448W 505-476-3462F

Engineering Bureau, Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, October 26, 2012 1:47 PM
To: Swazo, Sonny, EMNRD
Cc: Ben Stone; Ezeanyim, Richard, EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Hey Sonny,

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This application appears approvable, after Ray Westall gets the geologists opinion and finishes the last notification. So that brings it down to 1 inactive out of 5 wells.

Am I OK to release? — *Need ACOI per Sonny BOP.*

Thanks for looking at this.

Will

From: Swazo, Sonny, EMNRD
Sent: Friday, October 26, 2012 1:24 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

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Jones, William V., EMNRD

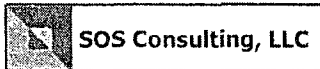
From: Ben Stone <ben@sosconsulting.us>
Sent: Saturday, October 27, 2012 8:42 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations
Attachments: CowtownAddNotification.pdf

Will,

Attached is the additional notification for the Cowtown Loyd No.1.

Thanks,

Ben



Ph: 903-488-9850 Fx: 866-400-7628
P.O. Box 300 - Como, TX - 75431

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email. Thank you.

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Friday, October 26, 2012 2:47 PM
To: Swazo, Sonny, EMNRD
Cc: Ben Stone; Ezeanyim, Richard, EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Hey Sonny,

We just approved one of the three inactive wells yesterday for SWD.

This application appears approvable, after Ray Westall gets the geologists opinion and finishes the last notification. So that brings it down to 1 inactive out of 5 wells.

Am I OK to release?

Thanks for looking at this.

Will

From: Swazo, Sonny, EMNRD
Sent: Friday, October 26, 2012 1:24 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Sunday, November 04, 2012 12:47 PM
To: 'Ben Stone'
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Ben,
Thanks for this...

Daniel and Sonny have decided to require an agreement from Ray Westall Operating, Inc. as to the timing of putting at least one of these wells back on line – should be an easy fix. But I don't think Daniel has talked to anyone at that company – since it shuts me down from issuing any more permits, if you would pass it on? If you don't want to pass it on, I can deal directly with Donnie Matthews as the "contact" person listed on the C-108.

Will

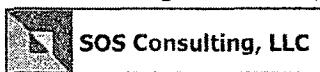
From: Ben Stone [<mailto:ben@sosconsulting.us>]
Sent: Saturday, October 27, 2012 8:42 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Ray Westall Operating Inc.: Cowtown Loyd #1 30-015-23618 Wolfcamp and Upper Penn perforations

Will,

Attached is the additional notification for the Cowtown Loyd No.1.

Thanks,

Ben



Ph: 903-488-9850 Fx: 866-400-7628
P.O. Box 300 - Como, TX - 75431

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Hey Sonny,

Jones, William V., EMNRD

From: Swazo, Sonny, EMNRD
Sent: Tuesday, November 20, 2012 3:46 PM
To: Jones, William V., EMNRD
Cc: Sanchez, Daniel J., EMNRD
Subject: FW: Ray Westall Operating, Inc. ACOI 269
Attachments: final ACOI.pdf

Will:

We executed this ACOI. This should allow you to process the injections permits.

-----Original Message-----

From: Duran-Saenz, Theresa, EMNRD
Sent: Tuesday, November 20, 2012 3:44 PM
To: mathewsad@hotmail.com
Cc: Swazo, Sonny, EMNRD
Subject: Ray Westall Operating, Inc. ACOI 269

Mr. Mathews,

The original of the attached Agreed Compliance Order will follow via U.S. Mail.

Your message is ready to be sent with the following file or link attachments:

final ACOI.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

→ Proposed ~~8510'~~ ^{8510'} - 9540' WC + CISCO DISPOSAL

→ OFFSETTING COWTOWN UNIT TO EAST
(~9800' CANYON)

→ LOOKS LIKE THIS LOCATION IS UPDIP
TO OLD ALAMO PERMIAN
COWTOWN UNIT & MAYBE
GASSY IN SATS IN UPPER PENN.

→ THE Proposed CISCO DISPOSAL PERES
HAVE NOT BEEN TRIED YET
(POSSIBLE HYDROCARBONS)

→ WOLF CAMP (UPPER INTERVAL) BACKED OFF
TO 8510' SO PROBABLY OK..

→ PROBABLY NEED GEO OPINION (in 12/10/12)
+
SRUAB TEST RESULTS

Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1372 Permit Date 12/11/12 UIC Qtr 6(R/D)

Wells 1 Well Name(s): COWTOWN LOYD Well No. 1

API Num: 30-015-23618 Spud Date: 2/2/81 New/Old: 0 (UIC primacy March 7, 1982)

Footages 1830 FSL/510 FEL Unit I Sec 14 Tsp 18S Rge 28E County EDDY

General Location: JUST West of COWTOWN UNIT

Operator: Ray Wallace Operating, INC. Contact Pamela Mathews / Ben Stone

OGRID: 119305 RULE 5.9 Compliance (Wells) 3/5 (Finan Assur) OK IS 5.9 OK? Code 22=OK

Well File Reviewed Current Status: Upper Perm / Lower WC ATAYT

Planned Work to Well:

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

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New ___ Existing ___ Surface	11 1/2 - 13 1/8	321	—	325	CIRC
New ___ Existing ___ Interm	11 - 8 5/8	3102'	?	1635SX	w/1" CIRC
New ___ Existing ___ LongSt	7 1/8 - 5 1/2	6897'	?	760	5874 calc
New ___ Existing ___ Liner					
New ___ Existing ___ OpenHole					

Depths/Formations: Depths, Ft. Formation Tops?

Formation(s) Above	8230	WC	✓
Injection TOP:	8510	WC	Max. PSI <u>1702</u> OpenHole ___ Perfs <u>✓</u>
Injection BOTTOM:	8584 9540	WC Perm	Tubing Size <u>2 3/8</u> Packer Depth <u>8130</u>
Formation(s) Below	9170	Perm	✓

Capitan Reef? (Potash? Noticed?) (WIPP? Noticed?) Salado Top/Bot Cliff 140883

Fresh Water: Depths: <250' Formation Perm Wells? Analysis? Affirmative Statement ✓

Disposal Fluid Analysis? Sources: Commercial - SA/del/Moran/Canyon

Disposal Interval: Analysis? Production Potential/Testing:

Notice: Newspaper Date 8/20/12 Surface Owner SLO. Mineral Owner(s)

RULE 26.7(A) Affected Persons: (9/10/12)

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

.....Active Wells 1 Repairs? 0 Which Wells? —

.....P&A Wells 2 Repairs? — Which Wells? —

Issues: Run Survey Request Sent — Reply: —

Transfer to 11/15/12

*8510
17020*

*Travis Tower #1
534 is 1 mi EAST
(SWD)
See R-6763
WFX-499
Also no Perm Run
5/11/12 opening
Cowtown 11/17*