

DATE IN 9/29/2014	SUSPENSE	ENGINEER PBG	LOGGED IN 9/25/2014	TYPE SWD	APP NO. DMAm1426852946
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C].

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

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

[D] Other: Specify _____

- SWD
 - Ray Westall operating
 119305
 well
 - Cedar Lake ADI
 Federal
 30-015-25494
 Pool
 - SWD, Workamp -
 Cisco
 96136

2014 SEP 25 P 1:34

RECEIVED OOD

[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		Agent for Ray Westall Operating, Inc. 9/24/14	
Print or Type Name	Signature	Title	Date
		ben@sosconsulting.us	
		e-mail Address	



September 24, 2014

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 Cedar Lake 'ADI' Federal No.1 well located in Section 26, Township 17 South, Range 30 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 Cedar Lake 'ADI' Federal Well 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 27, 2014 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 BLM land and minerals and a copy of this application has been submitted to the Bureau of Land Management, Carlsbad Field Office.

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,

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. Box 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. **(1 AOR well penetrates the subject interval - 1 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 test data on the well however, any previous well logs (2 well logs available via OCD Online) have been filed with the Division and they need not be resubmitted.**
- *XI. **State Engineer's records indicates there are NO 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 19 offset lessees and/or operators plus BLM minerals within one 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: **9/23/2014**

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:

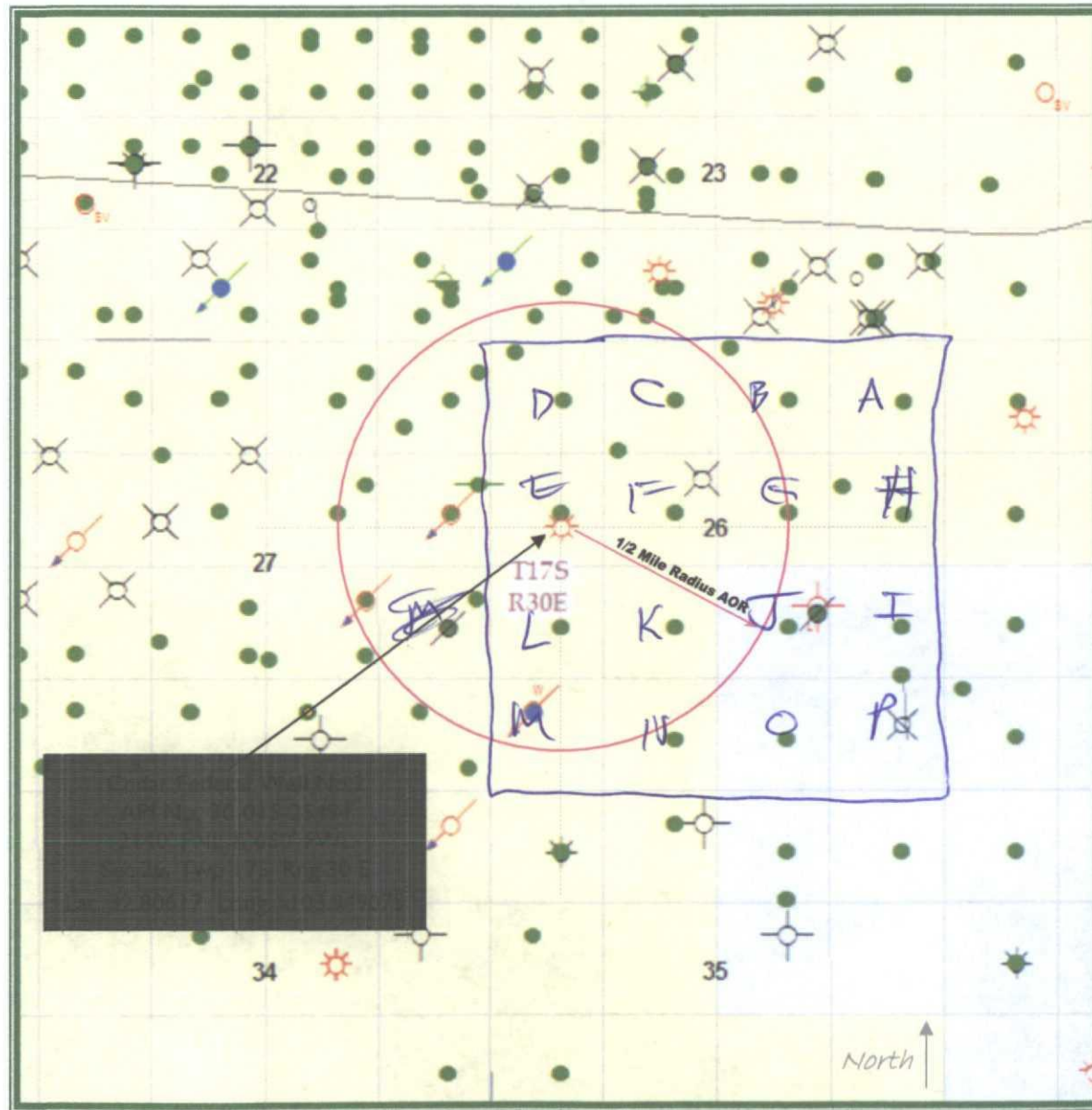
- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates 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.

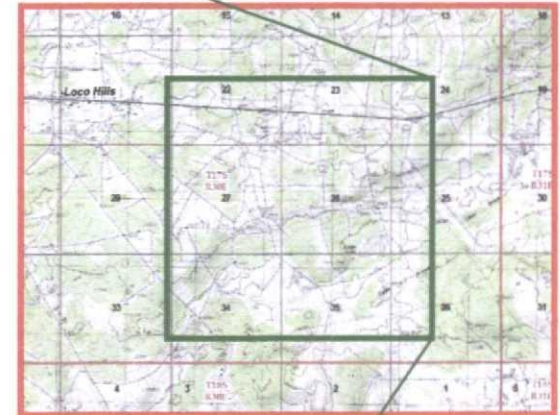
NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Cedar Lake 'ADI' Federal Com Well No.1 - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)



~2.7 miles Southeast
of Loco Hills, NM



Eddy County, New Mexico



RAY WESTALL OPERATING, INC.





WELL SCHEMATIC - PROPOSED Cedar Lake 'ADI' Federal Well No.1 SWD

API 30-015-25494

2140' FNL & 660' FWL, SEC. 26-T17S-R30E
EDDY COUNTY, NEW MEXICO

P&A Date: 8/16/2013

Re-Entry Date: 11/01/2014

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
1583 psi Surface Max

410'

Surface Casing

13.375", 55.0# Csg. (17.5" Hole) @ 410'
650 sx - Circulated to Surface

RAY WESTALL OPERATING, INC.

Convert to SWD: D/O & C/O Existing Plugs.

Set CIBP @ 10200' w/ 35' Cmt Cap.

Perforate Specific Intervals TBD.

Run PC Tubing and PKR - Conduct MIT.

Commence Disposal Operations.

4507'

Intermediate Casing

8.625", 32.0# csg. (11.0" Hole) @ 4507'
2200 sx - Circulated 32 sx to Surface

Annulus Loaded
w/ Inert Packer Fluid

BS Perfs: Sqz'd 7622'-44' During P&A

BSPO: 7645'

WLF-OP: 7795'

2.875" IC Tubing
PKR ~7820'

Wolfcamp Perfs: 7916' Uppermost Perf

Specific Perf Intervals To Be Determined

CANYON 9620'

CANYON Perfs: 10114' Lowermost Perf

Set CIBP @ 10200' w/ 35' Cmt

Existing CIBP @ 10650'

Capped w/ 40' Cmt.

STWN 10278'

ATKA 10400'

Existing Perfs: 10673'-81'

MISS. 10930'

Fill to 11333'

11517'

DTD @ 11517'

Production Casing

5.5", 17.0 & 20.0# Csg (7.875" Hole) @ 11517'
1200 sxs Cls H - TOC @ 7060' by Calc.



Drawn by: Ben Stone, 9/14/2014

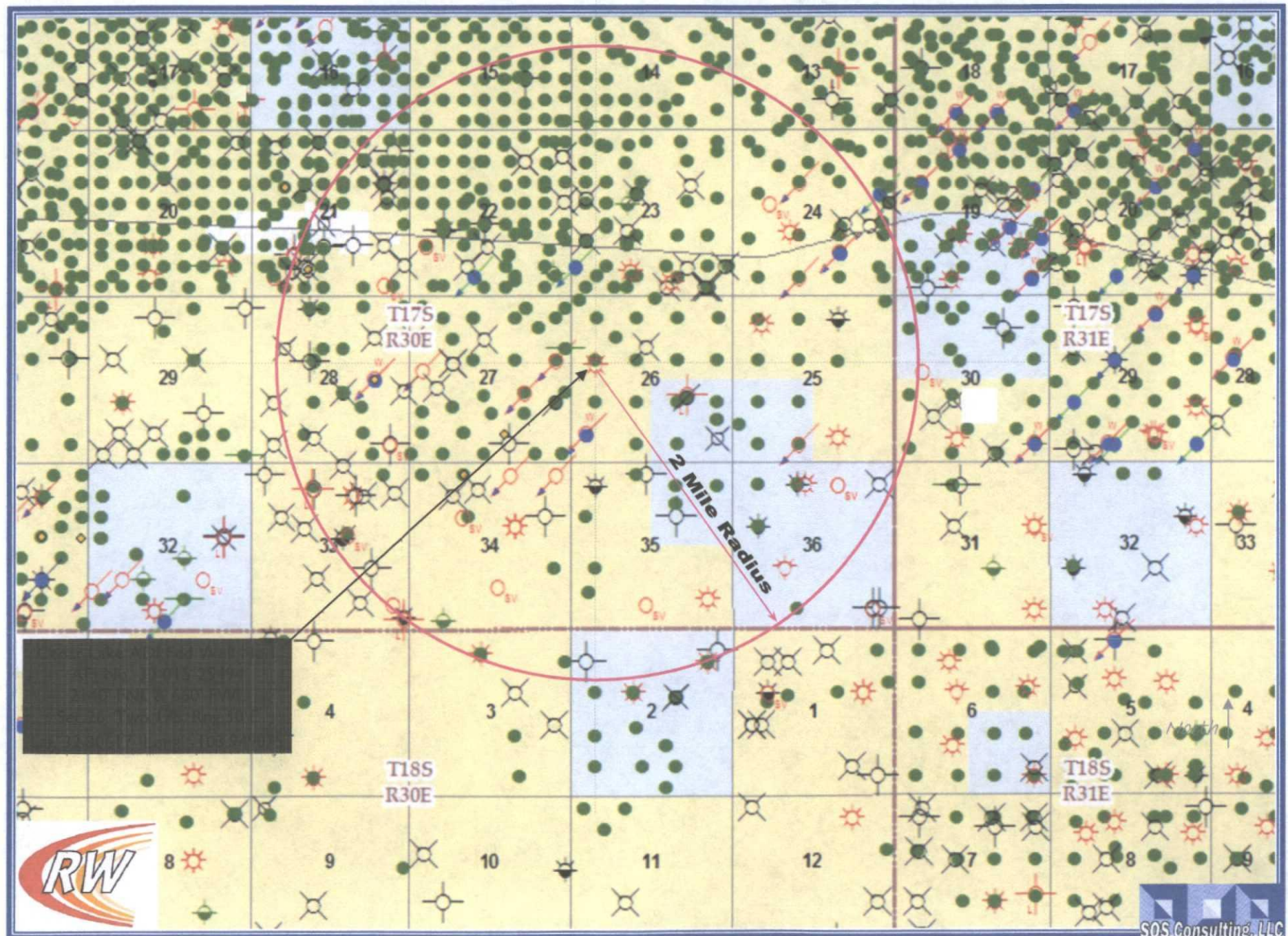
C-108 ITEM VI – AOR WELL INFORMATION

1 Well penetrates the proposed injection/disposal interval. It is P&A'd.

Plugged Well Schematics

Cedar Lake ADI Federal Well No.1 - Area of Review / 2 Miles

(Attachment to NMOCD Form C-108 - Item V)



Form C-108 Item VI - Tabulation of AOR Wells

Top of Proposed WOLFECAMP Interval 7916'

Wells that PENETRATE
Proposed Injection Zone.

Subject Well

30-015-25494 [119305] RAY WESTALL OPERATING, INC.* CEDAR LAKE ADI FEDERAL #001 Gas Federal Active E 26-17S-30E 0
 18.375" (17.5" hole) @ 410' w/ 650 sx - circ.; 8.625" (11.0" hole) @ 4507' w/ 2200 sx - circ.; 5.5" (7.375" hole) to 11,500' w/ 1200 sx - TOC @ 7060'; D/O to 10,200'; Config. SWD; SEE SCHEMATICS.

API	Current Operator	Well Name	Well No.	Type	Lease	Status	UL	S-T-R	TV Depth	P&A Dt.
Section 26 Wells										
30-015-04343	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#001H	Oil	Federal	Active	C	26-17S-30E	3286'	
										DOES NOT PENETRATE.
30-015-29176	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#076	Oil	Federal	Active	C	26-17S-30E	3300'	
										DOES NOT PENETRATE.
30-015-29177	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#104	Oil	Federal	Active	D	26-17S-30E	3361'	
										DOES NOT PENETRATE.
30-015-29124	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#103	Oil	Federal	Active	D	26-17S-30E	3285'	
										DOES NOT PENETRATE.
30-015-04344	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#002E	Injection	Federal	Active	D	26-17S-30E	3238'	
										DOES NOT PENETRATE.
30-015-04338	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#002D	Oil	Federal	Active	E	26-17S-30E	3250'	
										DOES NOT PENETRATE.
30-015-25494	[143199] ENERVEST OPERATING L.L.C.*	CEDAR LAKE ADI FEDERAL	#001	Gas	Federal	Active	E	26-17S-30E	0	
										* C-145 Change of Operator Submitted / Approval Pending - SUBJECT WELL - N/A.
30-015-04337	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#001F	Injection	Federal	Active	F	26-17S-30E	3262'	
										DOES NOT PENETRATE.
30-015-04347	[145295] PENDRAGON ENERGY PRT INC.	GRAYBURG JACKSON UNIT	#003	Oil	Federal	P&A	G	26-17S-30E	3300'	3/14/2001
										DOES NOT PENETRATE.
30-015-04335	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#001E	Oil	Federal	Active	G	26-17S-30E	3300'	
										DOES NOT PENETRATE.
30-015-04346	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#002F	Oil	Federal	Active	I	26-17S-30E	3284'	
										DOES NOT PENETRATE.
30-015-04339	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#001G	Oil	Federal	Active	J	26-17S-30E	3295'	
										DOES NOT PENETRATE.
30-015-22581	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Gas	Federal	P&A	J	26-17S-30E	3500'	1/1/1900
										Drilling terminated at 3500' due to high water flow. DOES NOT PENETRATE.
30-015-22623	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	Federal	P&A	J	26-17S-30E	11372'	1/1/1900
										SEE ATTACHED P&A DIAGRAM.

Form C-108 Item VI - Tabulation of AOR Wells (cont.)

30-015-04332	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#001D	Oil	Federal	Active	K	26-17S-30E	3278'	DOES NOT PENETRATE.
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Section 27 Wells

30-015-28833	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#004Z	Oil	Federal	Active	A	27-17S-30E	3375'	DOES NOT PENETRATE.
30-015-04350	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#002H	Oil	Federal	Active	A	27-17S-30E	3194'	DOES NOT PENETRATE.
30-015-04352	[181109] CAMERON OIL & GAS INC	SERGEANT	#004	Oil	Federal	Active	A	27-17S-30E	2073'	DOES NOT PENETRATE.
30-015-04355	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#002J	Oil	Federal	ExpTA	G	27-17S-30E	3195'	DOES NOT PENETRATE.
30-015-04357	[145295] PENDRAGON ENERGY PARTNERS INC.	GRAYBURG JACKSON UNIT	#005	Oil	Federal	P&A	G	27-17S-30E	3200' 1/1/96	DOES NOT PENETRATE.
30-015-04351	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#003	Oil	Federal	Active	H	27-17S-30E	3386'	DOES NOT PENETRATE.
30-015-04349	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil		P&A	H	27-17S-30E	3226' 1/1/00	DOES NOT PENETRATE.
30-015-04353	[145295] PENDRAGON ENERGY PARTNERS INC.	GRAYBURG JACKSON UNIT	#001	Oil	Federal	P&A	I	27-17S-30E	3227' 3/20/01	DOES NOT PENETRATE.
30-015-04354	[149538] ASHER ENTERPRISES LTD. CO.	GRAYBURG JACKSON UNIT	#002I	Oil	Federal	Active	I	27-17S-30E	3253'	DOES NOT PENETRATE.
30-015-04348	[305911] ENERGYQUEST II, LLC	MADDREN B FEDERAL	#009	Oil	Federal	Active	J	27-17S-30E	3164'	DOES NOT PENETRATE.
30-015-04364	[17643] PHILLIPS PETROLEUM CO	GRAYBURG JACKSON WF UNIT	#007	Oil	Federal	P&A	P	27-17S-30E	3254' 11/10/93	DOES NOT PENETRATE.

Section 23 Wells

30-015-04294	[181109] CAMERON OIL & GAS INC	FEDERAL B	#004	Oil	Federal	Active	M	23-17S-30E	2004'	DOES NOT PENETRATE.
30-015-04295	[145295] PENDRAGON ENERGY PARTNERS INC.	GRAYBURG JACKSON UNIT	#005	Oil	Federal	P&A	M	23-17S-30E	3217' 2/26/01	DOES NOT PENETRATE.
30-015-04292	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#009	Oil		P&A	N	23-17S-30E	0' 1/1/01	NO WELL FILE - SIMILAR API WELL NUMBER COMPLETIONS ARE TO GRBG OR SHALLOWER. DOES NOT PENETRATE.

SUMMARY: 1 well penetrates proposed disposal interval. 1 P&A.

C-108 - Item III

Subject Well Data

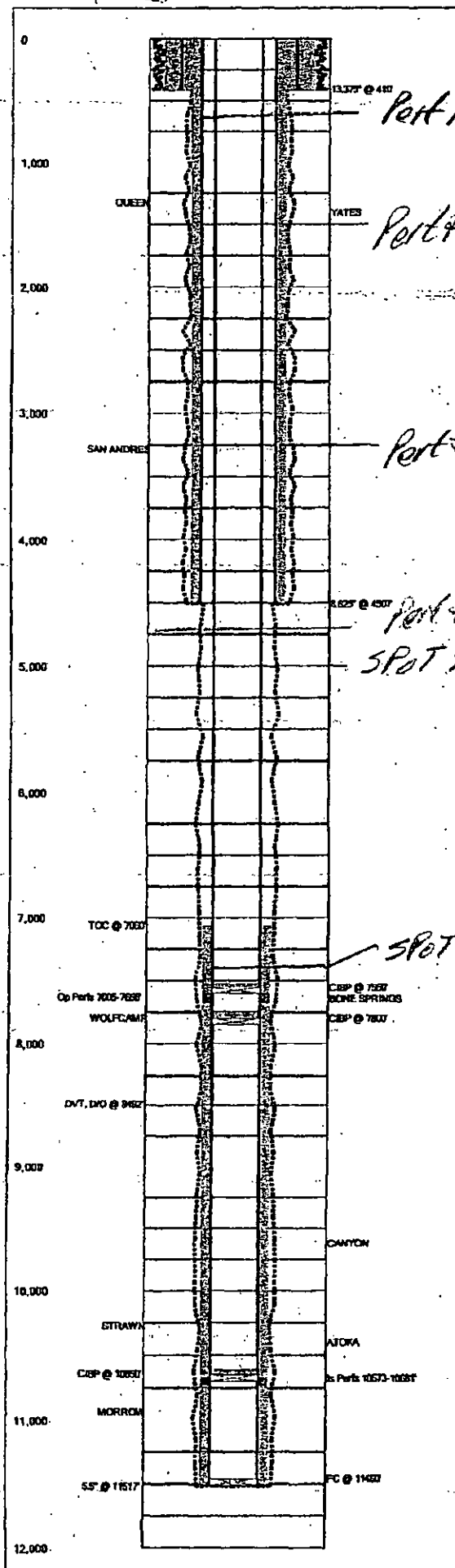
WELL SCHEMATICS

Current

and

Proposed

Last Updated: 8/16/2013 12:35 PM



487
Port AT NOT Circulate 1454X2 CMT To Evidence

Perlt 5gr 55-85 CMT. 1400 To 1500 WWT + TAG

Part 7 $\frac{5}{8}$ = 55.5% CMT. 3290 TO 3490 Wt + Tax

PEN + SZ 50512 CONT 41557 TO 44157 WOOD TAG

SPOT 255X50M T. 5000 TO 14000

SPOT 255X5 CM, 7550 TO 7450'

Cement Plug Summary

Perforation Summary

Formation Tops Summary

www.WellShadow.com

Last Updated: 8/16/2013 12:35 PM

Field Name	Lease Name	Well No.	County, State	API No.
Loco Hills Area	CEAR LAKE ADI FEDERAL	001	Eddy, New Mexico	30015254940000
Version	Version Tag	Spud Date	Comp. Date	G.L. (ft)
0	CURRENT	2/27/1985	3/10/1985	3,617.0
Sec.	Township/Block	Range/Survey	Footage Call	K.B. (ft)
26	17S	30E	214' FNL & 660' FWL From Section	3,637.0
Operator	Well Status	Latitude	Longitude	ProphNum
ENERVEST OPERATING L L C	TAD			46201.001
Last Updated	Prepared By	Updated By		
08/16/2013 12:35 PM	Tyler Hansen	Tyler Hansen		
Additional Information				

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.500	0	410	
	11.000	410	4,507	
	7.875	4,507	11,517	

Tubular Summary

Date	Description	No. Jts	O.D. (in)	Wt (lbm)	Grade	Top (MD ft)	Bottom (MD ft)	Comments
	Surface Casing	10	13.375	61.00	J-55	0	410	
	Intermediate Casing	107	8.625	32.00	J-55	0	4,507	
	Production Casing	14	5.500	20.00	N-80	0	612	
	Production Casing	76	5.500	17.00	N-80	612	3,925	
	Production Casing	93	5.500	17.00	J-55	3,925	7,853	
	Production Casing	80	5.500	17.00	N-80	7,853	10,983	
	Production Casing	16	5.500	20.00	N-80	10,983	11,517	

Casing Cement Summary

Date	No. Sx	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	23	13.375	0	410	SURFACE CEMENT	CIRC
		8.625	0	410	INTERMEDIATE CEMENT	CIRC
	2,200	8.625	410	4,507	INTERMEDIATE CEMENT	CIRC
	1,200	5.500	7,060	11,500	PRODUCTION CEMENT	TOC FROM CBL

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
5/9/2013	Cast Iron Bridge Plug	5.500	0.000	7,550	0		
12/1/2009	Cast Iron Bridge Plug	5.500	0.000	7,800	0		
	OV tool (drilled out)	5.500	0.000	8,492	0		
12/1/2009	Cast Iron Bridge Plug	5.500	0.000	10,650	0		
	Float Collar	5.500	0.000	11,460	0		

Cement Plug Summary

Date	No. Sx	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
5/9/2013		5.500	7,520	7,550	30' CMT ON CIBP
12/1/2009		5.500	7,750	7,800	60' CMT ON CIBP
12/1/2009		5.500	10,610	10,650	40' CMT ON CIBP
		5.500	11,460	11,500	CASING SHOE

Perforation Summary

C	Date	Perf. Status	Formation	Comments
		Isolated	ATOKA SAND	F/475 BBL 3% KCL/METHANOL & 57 K# 20/40 SAND & 88 TONS CO2 & N2
	Top (MD ft)	Bottom (MD ft)	SPF	Shots
	10,673	10,681		32
				Phasing (deg)
				Interval Comments
C	Date	Perf. Status	Formation	Comments
		Open	BONE SPRINGS	
	Top (MD ft)	Bottom (MD ft)	SPF	Shots
	7,605	7,656		156
	7,622	7,644		89
				Phasing (deg)
				Interval Comments

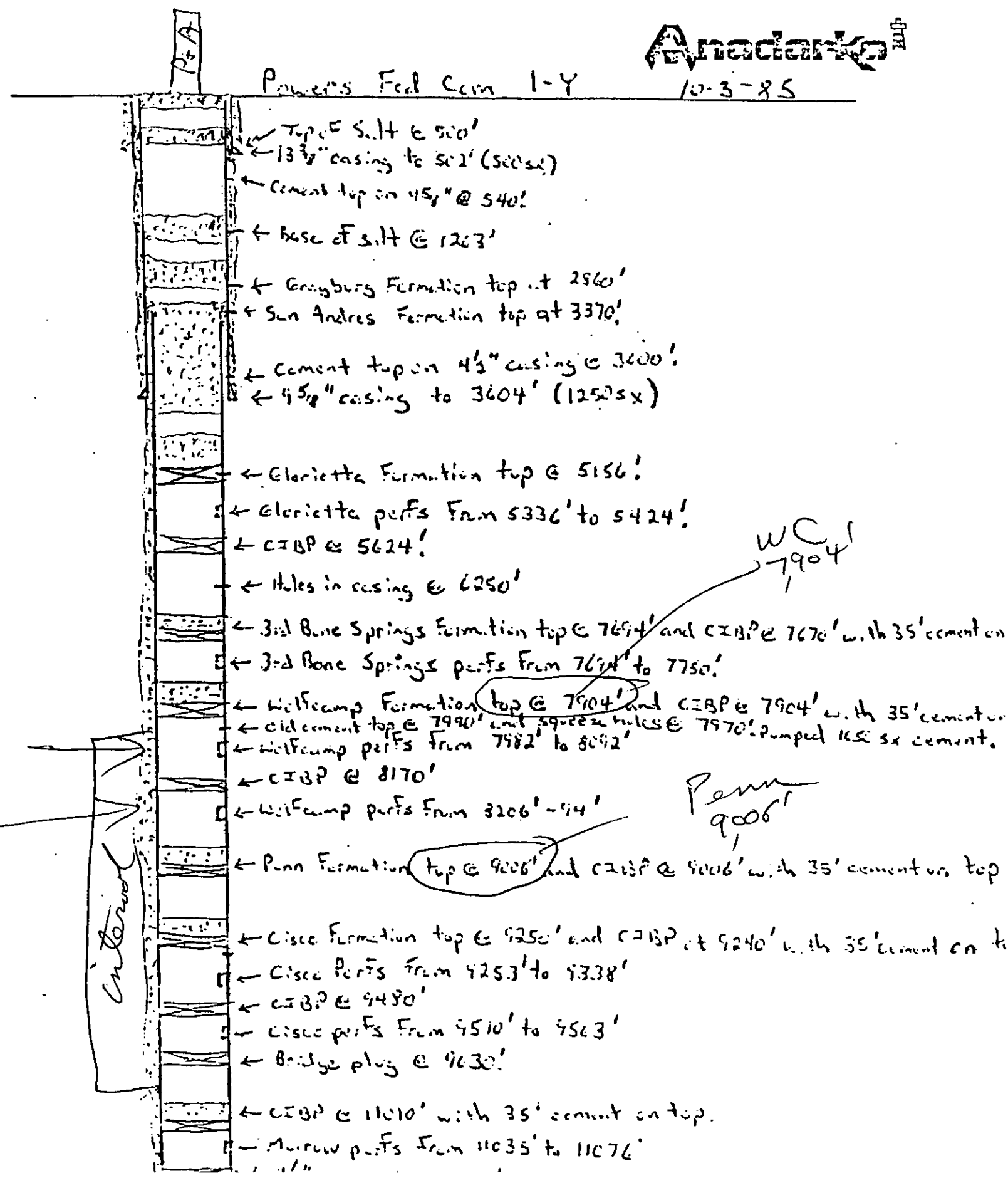
Formation Top Summary

Formation Name	Top (MD ft)	Comments
QUEEN	1,332	
YATES	1,408	
SAN ANDRES	3,290	
BONE SPRINGS	7,645	
WOLFCAMP	7,785	
CANYON	8,620	
STRAWN	10,276	
ATOKA	10,400	
MORROW	10,935	

Anadarko

Powers Feed Corn 1-Y

10-3-85



C-108 ITEM VII – PROPOSED OPERATION

The Cedar Lake 'ADI' Federal Well 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, Cisco and Canyon formation waters.)

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

Injection pressure will be 1583 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

Geological Data

The Wolfcamp is a light gray-brown fine to medium crystalline fossiliferous limestone with inter-crystalline vugular porosity interbedded with gray shale. Additional porosity can be found when the well bore encounters detrital carbonates which were shed off shelf and foreslope areas and transported down the Wolfcamp paleoslope.

The Canyon Formation (Upper Penn) similar to the Wolfcamp is a gray micritic (fine grained) fossiliferous limestone with vugular porosity. The reservoirs in this area are usually limited in size with up dip porosity loss due to shelf margin carbonate build up.

The combined zones offer good porosity in the proposed injection interval located from 7916' to 10114' with very good porosity interspersed throughout the overall interval.

Fresh water in the area is generally available from the Santa Rosa formation. State Engineer's records show one water well in Section 20, T17S, 30E (6 miles distant) with a depth to water of 80 feet. Generally, depth to water in this area of Eddy county is 150 to 200 feet.

There are no water wells located within one mile of the proposed SWD.

C-108 - Item VII.5

Water Analysis - Disposal Zone



Water Analysis

Date: 2/24/2005

2401 Sireley, 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

Sulfides

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

1,803

Bicarbonates

in Mg/L

185

in PPM

176

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

1,038,484

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 877-2281

C-108 - Item VII.4

Water Analysis - Source Water - SAN ANDRES

B J Services Water Analysis

Artists District Laboratory
(505)-746-3140

Date: 6-Nov-00 Test #:
Company: SDX Resources Well #:
Lessor: Chalk Federal #2 County: Eddy
State: N.M. Formation: San Andres
Depth: 2900 Source:

pH: 8.51 Temp (F): 88.3
Specific Gravity: 1.12

CATIONS	mg/l	meq/l	ppm
Sodium (calc.)	84502	2370.7	48862
Calcium	3208	160.1	2854
Magnesium	1458	120.0	1302
Barium	< 25	—	—
Potassium	< 10	—	—
Iron	3	0.1	2

ANIONS	mg/l	meq/l	ppm
Chloride	93000	2823.4	83038
Sulfate	1071	22.3	957
Carbonate	< 1	—	—
Bicarbonate	878	14.4	784
Total Dissolved Solids(calc.)	154120		137807
Total Hardness as CaCO3	14014	280.0	12513

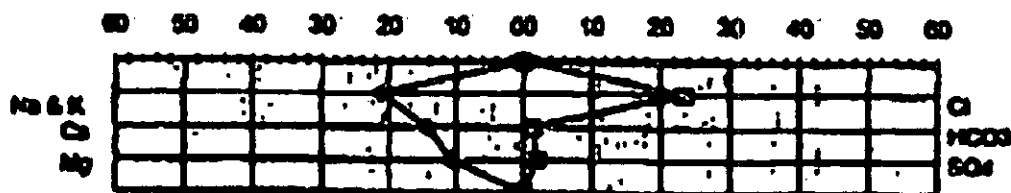
COMMENTS:

Res = 0.0847 @ 51.1 deg.

SCALE ANALYSIS:

CaCO3 Factor 2817807 Calcium Carbonate Scale Probability → Probabl
CaSO4 Factor 3848600 Calcium Sulfate Scale Probability → Remote

SBS Plot



C-108 - Item VII.4

Water Analysis - Source Water - DELAWARE



Water Analysis

Date: 11-Jan-05

2788 West County Road, Hobbs NM 88240

Phone (505) 392-3336 Fax (505) 392-7307

Analyzed For

Devon	Spud 16 State #1	Lee	New Mexico
-------	------------------	-----	------------

Sample Source	Sample	Sample #	1
Formation	Depth		
Specific Gravity	1.195	SG @ 60 °F	1.195
pH	9.98	Sulfides	Absent
Temperature (°F)	65	Reducing Agents	

Cations

Sodium (Calc)	In Mg/L	73,985	In PPM	61,860
Calcium	In Mg/L	34,800	In PPM	28,428
Magnesium	In Mg/L	5,040	In PPM	4,214
Soluble Iron (FE2)	In Mg/L	60.9	In PPM	42

Anions

Chlorides	In Mg/L	188,000	In PPM	157,101
Sulfates	In Mg/L	650	In PPM	460
Bicarbonates	In Mg/L	78	In PPM	65
Total Hardness (as CaCO3)	In Mg/L	108,000	In PPM	88,629
Total Dissolved Solids (Calc)	In Mg/L	301,783	In PPM	252,269
Equivalent NaCl Concentration	In Mg/L	284,733	In PPM	212,986

Scaling Tendencies

*Calcium Carbonate Index 2,854,720

(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 mw=040@631

C-108 - Item VII.4

Water Analysis - Source Water - MORROW



HALLIBURTON

CENTRAL OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Marjoh

REPORT WD2-128
DATE June 18, 2002
DISTRICT Hobbs

SUBMITTED BY Jim Treble

WELL Ruger SL #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>8.83</u>		_____		_____		_____	
CALCIUM	<u>4.500</u>	mg/l	_____	mg/l	_____	mg/l	_____	mg/l
MAGNESIUM	<u>6.900</u>	mg/l	_____	mg/l	_____	mg/l	_____	mg/l
CHLORIDE	<u>34.863</u>	mg/l	_____	mg/l	_____	mg/l	_____	mg/l
SULFATES	<u>10.00</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 _____

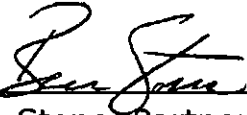
MPL = Milligrams per liter
Resistivity measured in: Ohm-cm

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ANALYST: Mike Armstrong

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

A handwritten signature in black ink, appearing to read "Ben Stone", is written over a horizontal line.

Ben Stone, Partner
SOS Consulting, LLC

Project: Ray Westall Operating, Inc.
Cedar Lake 'ADI' Fed Well No.1
Reviewed 9/15/2014

C-108 ITEM XI – WATER WELLS IN AOR

A search of the State Engineer's database indicated no wells within one mile of the proposed well.



New Mexico Office of the State Engineer **Active & Inactive Points of Diversion** (with Ownership Information)

No PODs found.

PLSS Search:

Section(s): 22, 23 Township: 17S Range: 30E

No PODs found.

PLSS Search:

Section(s): 26, 27 Township: 17S Range: 30E

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.

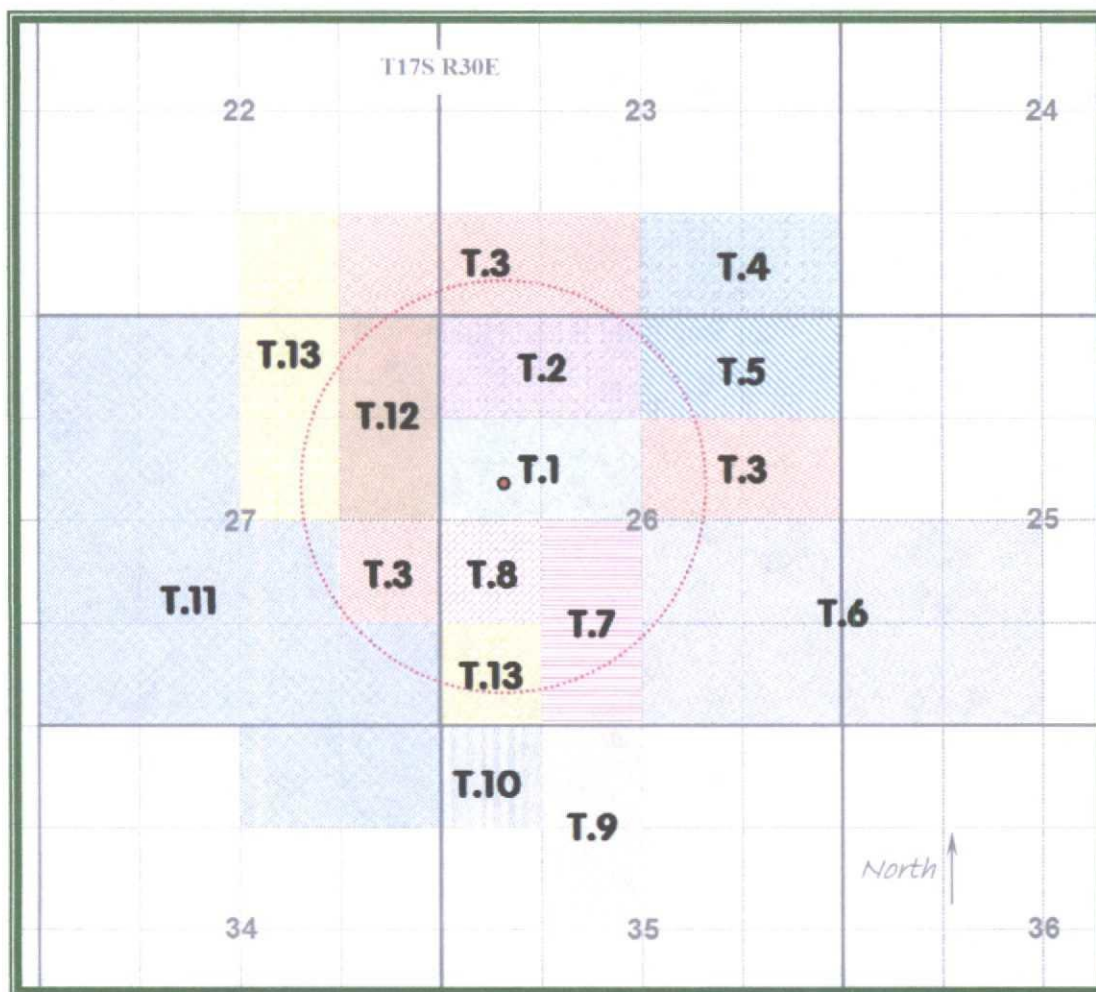
9/9/14 1:21 PM

Page 1 of 1

ACTIVE & INACTIVE POINTS OF DIVERSION

Cedar Lake 'ADI' Fed Com Well No.1 - Leasehold Plat

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



RAY WESTALL OPERATING, INC.

LEGEND

- | | |
|--|---|
| T.1 – NMLC-0028992I – EOG Resources, Inc. | T.8 – NMNM-093143 – John A. Starck |
| T.2 – NMLC-0028992G – GXG, Inc., Others | T.9 – NMNM-0558579 – ConocoPhillips Company |
| T.3 – NMLC-0028992A – COG Operating, LLC | T.10 – NMLC-0060525 – ConocoPhillips Company |
| T.4 – NMLC-0028992E – ConocoPhillips Company | T.11 – NMNM-0467934 – ConocoPhillips Company |
| T.5 – NMLC-0028992C – ConocoPhillips Company | T.12 – NMLC-0059376 – Paul Sargent Estate, Others |
| T.6 – NMLC-0030570B – Fair Oil, LTD | T.13 – NMLC-0028992B – Anadarko E&P Onshore, LLC |
| T.7 – NMLC-0028992J – EOG Resources, Inc. | |

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

SURFACE & MINERALS OWNER

U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management (U.S. Postal Certified Mail)
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)

BLM Leases NMLC-0028992I; NMLC-0028992J

Lessees

1 EOG RESOURCES, INC.
P.O. Box 2267
Midland, TX 79702

2 READ & STEVENS, INC.
P.O. Box 1518
Roswell, NM 88202-1518

Operator

3. ASHER ENTERPRISES, LTD.
1063-D Memorial Drive, PMB 525
Tulsa, OK 74133

BLM Lease NMLC-0028992G

Lessee

4 GXG, INC.
P.O. Box 29161
Dallas, TX 75201

5 THERYLENE KNOX HELM TRUST OF T.K. HELM
131 E. Oak Street
Weatherford, TX 76086-4422

6 JACK D. KNOX
300 Crescent Ct. #1630
Dallas, TX 75201

7 SOUTH CENTRAL ENTPRRISES
9201 Meadowbrook Dr.
Dallas, TX 75220

8 M.G. CRAIN
P.O. Box 1764
Midland, TX 79702

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

BLM Lease NMLC-0028992G (cont.)

Operator

ASHER ENTERPRISES, LTD.
1063-D Memorial Drive, PMB 525
Tulsa, OK 74133

BLM Lease NMLC-0028992A

Lessee

- 9 COG OPERATING, LLC
One Concho Center
600 W. Illinois Avenue
Midland, TX 79701

Operators

ASHER ENTERPRISES, LTD.
1063-D Memorial Drive, PMB 525
Tulsa, OK 74133

- 10 CAMERON OIL & GAS, INC.
P.O. Box 1456
Roswell, NM 88202

**BLM Leases NMLC-0028992E; NMLC-0028992C; NMNM-0558579;
NMLC-0060525; NMNM-0467934**

Lessee

- 11 CONOCOPHILLIPS COMPANY
P.O. Box 7500
Bartlesville, OK 74005-7500

Operator

- 12 ENERGYQUEST II, LLC
4526 Research Forest Drive, Ste.200
The Woodlands, TX 77396

BLM Lease NMLC-0030570B

Lessee

- 13 FAIR OIL COMPANY
P.O. 689
Tyler, TX 75710

BLM Lease NMNM-093143

Lessee

- 14 JOHN A. STARCK
P.O. Box 10886
Midland, TX 79702

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

BLM Lease NMLC-0059376

Lessees

- 15 PAUL SERGENT ESTATE
1800 N. Stanton #708
El Paso, TX 79902

Operator

ASHER ENTERPRISES, LTD.
1063-D Memorial Drive, PMB 525
Tulsa, OK 74133

CAMERON OIL & GAS, INC.
P.O. Box 1456
Roswell, NM 88202

BLM Lease NMLC-0059376 (cont.)

Lessees

- 16 OXY WTP, LP
6 Desta Drive, Ste.6000
Midland, TX 79705-5505
- 17 PAUL HARVEY
3100 Gold St.
El Paso, TX 79900
- 18 T.J. SIVLEY
P.O. Box GG
Artesia, NM 88210

BLM Lease NMLC-0028992B

Lessee

- 19 ANADARKO E&P ONSHORE, LLC
P.O. Box 173779
Denver, CO 80217-3779

Operator

ASHER ENTERPRISES, LTD.
1063-D Memorial Drive, PMB 525
Tulsa, OK 74133

OFFSET MINERALS OWNER

- 20 U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

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



September 23, 2014

NOTIFICATION TO INTERESTED PARTIES

via U.S. Certified Mail

To Whom It May Concern:

Ray Westall Operating, Inc., Loco Hills, New Mexico, has made application to the New Mexico Oil Conservation Division to convert for salt water disposal its Cedar Lake Federal Well No.1. The proposed commercial operation will be for produced water disposal from area operators. As indicated in the notice below, the well is located in Section 26, Township 17 South, Range 30 East in Eddy County, New Mexico.

The published notice states that the interval will be from 7916 feet to 10,114 feet.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on or about August 27, 2014

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 Cedar Lake ADI Federal Well No.1. The well, API No.30-015-25494 is located 2140 FNL & 660 FWL in Section 26, Township 17 South, Range 30 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp and Canyon formations through selected perforated intervals between a maximum applied for top of 7916 feet to maximum depth of 10,114 feet and based on further log analysis. Maximum injection pressure will be 1583 psi with 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 or, email info@sosconsulting.us.

You have been identified as a party who may be interested as an offset lessee or operator.

You are entitled to a full copy of the application. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or email SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you and may also be sent via email if preferred.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" and last name "Stone" clearly distinguishable.

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

Cc: Application File

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

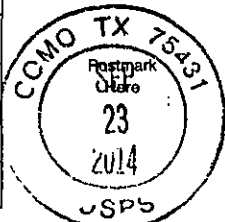
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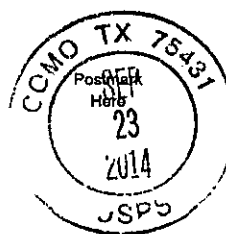
City, State

EOG RESOURCES, INC.
P.O. Box 2267
Midland, TX 79702

PS Form

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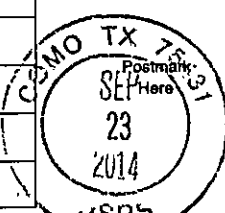
City, State

ASHER ENTERPRISES, LTD.
1063-D Memorial Drive, PMB 525
Tulsa, OK 74133

PS Form

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Street, Ap
or PO Box

City, State

THERYLENE KNOX HELM
TRUST OF T.K. HELM
131 E. Oak Street
Weatherford, TX 76086-4422

PS Form

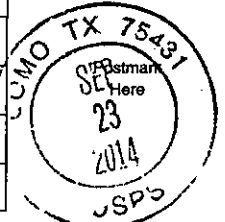
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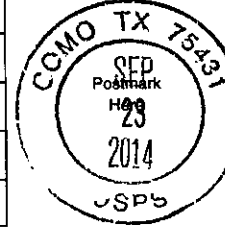
City, State

READ & STEVENS, INC.
P.O. Box 1518
Roswell, NM 88202-1518

PS Form

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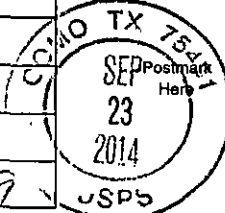
City, State

GXG, INC.
P.O. Box 29161
Dallas, TX 75201

PS Form

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
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Total Postage & Fees	\$	6.49



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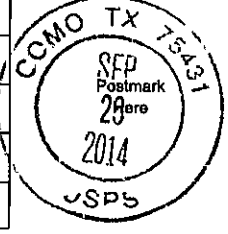
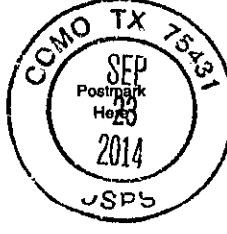
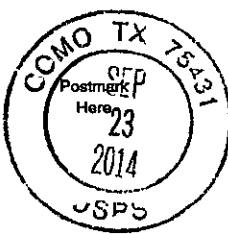
City, State

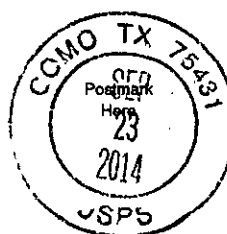
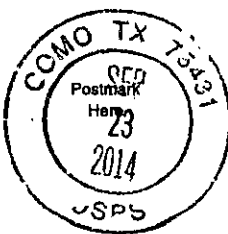
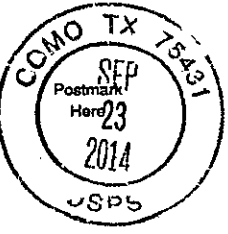
JACK D. KNOX
300 Crescent Ct. #1630
Dallas, TX 75201

PS Form

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts – cont.)

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PS Form 3800	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49
	
Sent To Street, Apt. N or PO Box N City, State, Zip COG OPERATING, LLC One Concho Center 600 W. Illinois Avenue Midland, TX 79701	
PS Form 3800	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49
	
Sent To Street, Apt. or PO Box City, State, Zip CONOCOPHILLIPS P.O. Box 7500 Bartlesville, OK 77005-7500	
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Total Postage & Fees	\$ 6.49
	
Sent To Street, Apt. or PO Box City, State, Zip M.G. CRAIN P.O. Box 1764 Midland, TX 79702	
PS Form 3800	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49
	
Sent To Street, Apt. or PO Box City, State, Zip CAMERON OIL & GAS, INC. P.O. Box 1456 Roswell, NM 88202	
PS Form 3800	
Postage	\$
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49
	
Sent To Street, Apt. or PO Box City, State, Zip ENERGYQUEST II, LLC 4526 Research Forest Drive, Ste.200 The Woodlands, TX 77396	
PS Form 3800	

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts - cont.)

7014 0510 0001 2766 1447

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 \$ Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State FAIR OIL COMPANY P.O. 689 Tyler, TX 75710	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State PAUL SERGENT ESTATE 1800 N. Stanton #708 El Paso, TX 79902	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State PAUL HARVEY 3100 Gold St. El Paso, TX 79900	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State ANADARKO E&P ONSHORE, LLC P.O. Box 173779 Denver, CO 80217-3779	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	

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Postage \$ Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State JOHN A. STARCK P.O. Box 10886 Midland, TX 79702	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State OXY USA WTP, LP 6 desta Drive, Ste.6000 Midland, TX 79705-5505	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State T.J. SIVLEY P.O. Box GG Artesia, NM 88210	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	
Sent To Street, Apt. or PO Box City, State BUREAU OF LAND MANAGEMENT Oil & Gas Division 620 E. Greene St. Carlsbad, NM 88220	
PS Form Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 6.49	

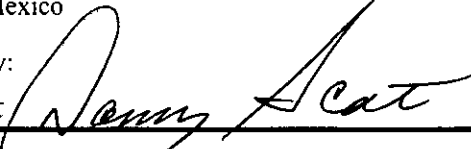
Affidavit of Publication

No. 23149

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/day on the same

day as follows:

First Publication August 27, 2014

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

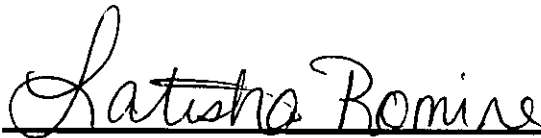
Subscribed and sworn before me this

27th day of August 2014



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, 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 Cedar Lake ADI Federal Well No. 1. The well, API No. 30-015-25494 is located 2140 FNL & 660 FWL in Section 26, Township 17 South, Range 30 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp and Canyon formations through selected perforated intervals between a maximum applied for top of 7916 feet to maximum depth of 10,114 feet and based on further log analysis. Maximum injection pressure will be 1583 psi with 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 or, email info@sosconsulting.us.

Published in the Artesia Daily Press, Artesia, N.M., August 27, 2014 Legal No. 23149.

PERMIT TYPE: WFX / PMX / SWD Number: 1507 Permit Date: 10/3/14 Legacy Permits/Orders: _____Well No. 1 Well Name(s): CEDAR LAKE ADI FederalAPI: 30-0 15-25494 Spud Date: 2-27-85 New or Old: N (UIC Class II Primacy 03/07/1982)Footages 2140 FNL/660 FWL Lot _____ or Unit E Sec 26 Tsp 17S Rge 30E County EDDYGeneral Location: 2.7 mi SE of Loco Hills Pool: _____ Pool No.: _____BLM 100K Map: _____ Operator: RAY Westall Operatory INC. OGRID: _____ Contact: Donnie Mathew Ben StoneCOMPLIANCE RULE 5.9: Total Wells: 90 Inactive: 0 Fincl Assur: OK Compl. Order? _____ IS 5.9 OK? OK Date: 10/30/14WELL FILE REVIEWED ☐ Current Status: PEACE 11517WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☒ After Conv. ☐ Logs in Imaging: ☒

Planned Rehab Work to Well: _____

Well Construction Details		Sizes (In)	Setting	Cement	Cement Top and
		Borehole / Pipe	Depths (ft)	Sx or Cf	Determination Method
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Surface	<u>17 1/2 - 13 3/8</u>	<u>410</u>	Stage Tool	<u>650</u>	<u>CIRC</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod	<u>11 - 8 5/8</u>	<u>4507</u>		<u>2200</u>	<u>CIRC</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod	<u>7 7/8 - 5 1/2</u>	<u>11,500</u>		<u>1200</u>	<u>7060</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner					
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner					
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> OH/PERF			Inj Length		
			<u>2186</u>		

Injection Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.				Drilled TD <u>10517</u> PBDT <u>P&A</u>
Confining Unit: Litho. Struc. Por.	<u>7795</u>	<u>W.C.F.</u>	<input checked="" type="checkbox"/>	NEW TD <u>10517</u> NEW PBDT <u>10165</u>
Proposed Inj Interval TOP:	<u>7916</u>	<u>(W.C.F.)</u>		NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM:	<u>10114</u>	<u>Confin</u>		Tubing Size <u>2 7/8</u> in. Inter Coated? <input checked="" type="checkbox"/>
Confining Unit: Litho. Struc. Por.	<u>10278</u>	<u>STRAIN</u>	<input checked="" type="checkbox"/>	Proposed Packer Depth <u>7820</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>7816</u> (100-ft limit)
				Proposed Max. Surface Press. <u>1583</u> psi
				Admin. Inj. Press. <u>1583</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-11 ☒ Noticed? _____ BLM Sec Ord ☐ ☒ Noticed? _____ SALT/SALADO T: _____ B: _____ CLIFF HOUSE

FRESH WATER: Aquifer Santa Rosa Max Depth 80' (150-200') HYDRO AFFIRM STATEMENT By Qualified Person ☒

NMOSE Basin: CAPITAN REEF thru ☐ adj ☐ NA ☒ No. Wells within 1-Mile Radius? ☐ FW Analysis ☐

Disposal Fluid: Formation Source(s) SA/DEL/Mon Analysis? ☒ On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Int: Inject Rate (Avg/Max BWPD): _____ Protectable Waters? _____ Source: _____ System: Closed ☐ or Open ☒

HC Potential: Producing Interval? _____ Formerly Producing? _____ Method: Logs/DST/R&A/Other _____ 2-Mile Radius Pool Map ☒

AOR Wells: 1/2-M Radius Map? ☒ Well List? ☒ Total No. Wells Penetrating Interval: 1 Horizontals? _____

Penetrating Wells: No. Active Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells 1 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 8/27/14 Mineral Owner BLM Surface Owner BLM N. Date ☒

RULE 26.7(A): Identified Tracts? ☒ Affected Persons: See APP N. Date 9/23

Permit Conditions: Issues: Swab Test Upper Perm (before running UP TO WC)

Add Permit Cond: _____