

DATE IN 02/25/14	SUSPENSE	ENGINEER PRG	LOGGED IN 02/27/14	TYPE EWD	APP NO. PPRG 1405844934
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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 _____

MNA Enterprises
 Pearl State #2
 30-025 - 28224

2014 FEB 25 P 2:52
 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.

Eddie W Seay
 Print or Type Name

Eddie W Seay
 Signature

Agent
 Title

2/20/2014
 Date

seay04@leaco.net
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: MNA Enterprise LTD Co.

ADDRESS: 106 W. Alabama, Hobbs, NM 88242

CONTACT PARTY: Daniel Alexander PHONE: 575-390-3300

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

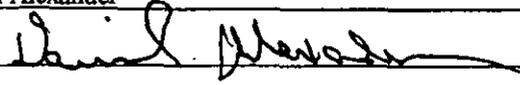
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Daniel Alexander TITLE: Owner - Operator

SIGNATURE:  DATE: 2/13/2014

E-MAIL ADDRESS: seav04@leaco.net

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: previously submitted when drilled - 1983.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

ATTACHMENT TO APPLICATION C-108

Pearl State #2 (API 30-025-28224)
Unit J, Sect. 10, Tws. 19 S., Rng. 35 E.
Lea Co., NM

III. WELL DATA

- A.
 - 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 3 1/2" plastic coated tubing.
 - 4) Baker Tension Type.

- B.
 - 1) Injection formation is the Wolfcamp.
 - 2) Injection interval from 10430' to 10800'.
 - 3) This was drilled as a producer.
 - 4) The next higher producing zone is the Bone Springs at approximately 7601'.
The next lower producing zone is the Penn at approximately 10950'.

TWC
DHC's in area
DHC-4691

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

VII. MNA proposes to remove existing equipment and clean out well bore down to Wolfcamp and existing perfs. Either re-perforate or acidize old perfs. Complete in existing Wolfcamp perfs and/or new perfs depending on logs. Run 3 1/2" coated tubing with 5 1/2" packer and set at approximately 10330'. Run MIT as OCD requires, put on injection.

- 1) Plan to inject approximately 10,000 bpd of produced water from various operations.
- 2) Closed system - commercial.
- 3) Average injection pressure should be approximately 1800# to 2000# or whatever limit OCD allows.
- 4) Analysis attached, only produced water.
- 5) Water from various offset production from McKee, Devonian, Silurian, Wolfcamp, Bone Springs and others.

VIII. The proposed disposal formation is interbedded shale and limestone. The primary geologic formation is the Wolfcamp from 10430' to 10800' .

The fresh water formation in the area is the Ogallala which ranges in thickness from 40' to 60' . Analysis of water well attached.

IX. ACID AS NEEDED.

X. WILL BE SUBMITTED WHEN DRILLED.

XI. ATTACHED.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. ATTACHED.

INJECTION WELL DATA SHEET

OPERATOR: MNA Enterprises LTD Co

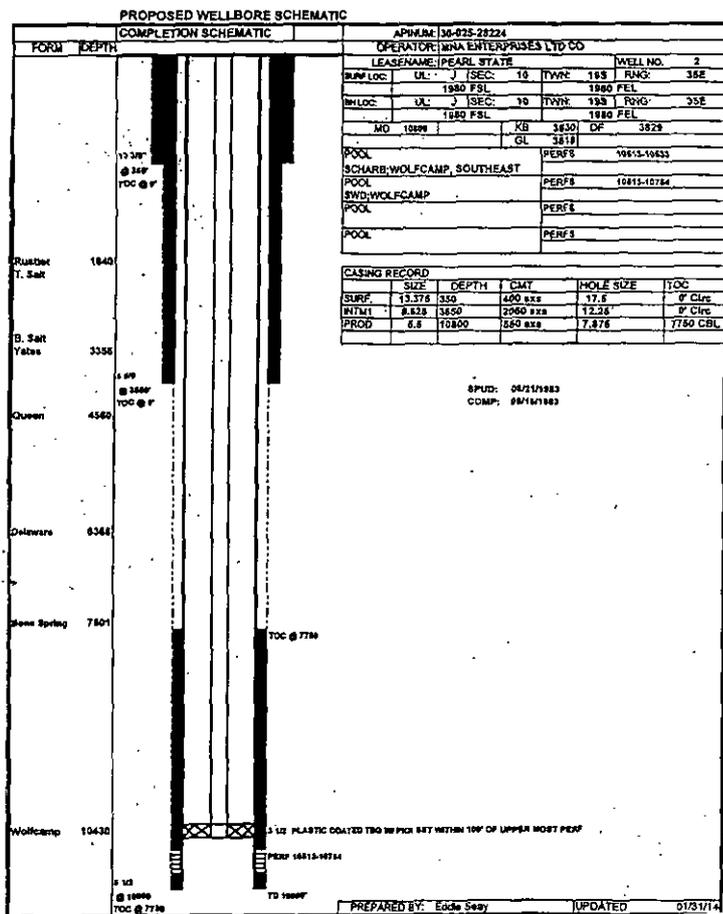
WELL NAME & NUMBER: Pearl State # 2 (API 30.025.28224)

WELL LOCATION: 1990/S 1980/E J 10 19 35
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing



Hole Size: 17.5 Casing Size: 13.375

Cemented with: 400 SX. or _____ ft³

Top of Cement: surface Method Determined: cre.

Intermediate Casing

Hole Size: 12.25 Casing Size: 8.625

Cemented with: 2050 SX. or _____ ft³

Top of Cement: surface Method Determined: cre.

Production Casing

Hole Size: 7.875 Casing Size: 5.5

Cemented with: 550 SX. or _____ ft³

Top of Cement: 7750 Method Determined: CBL

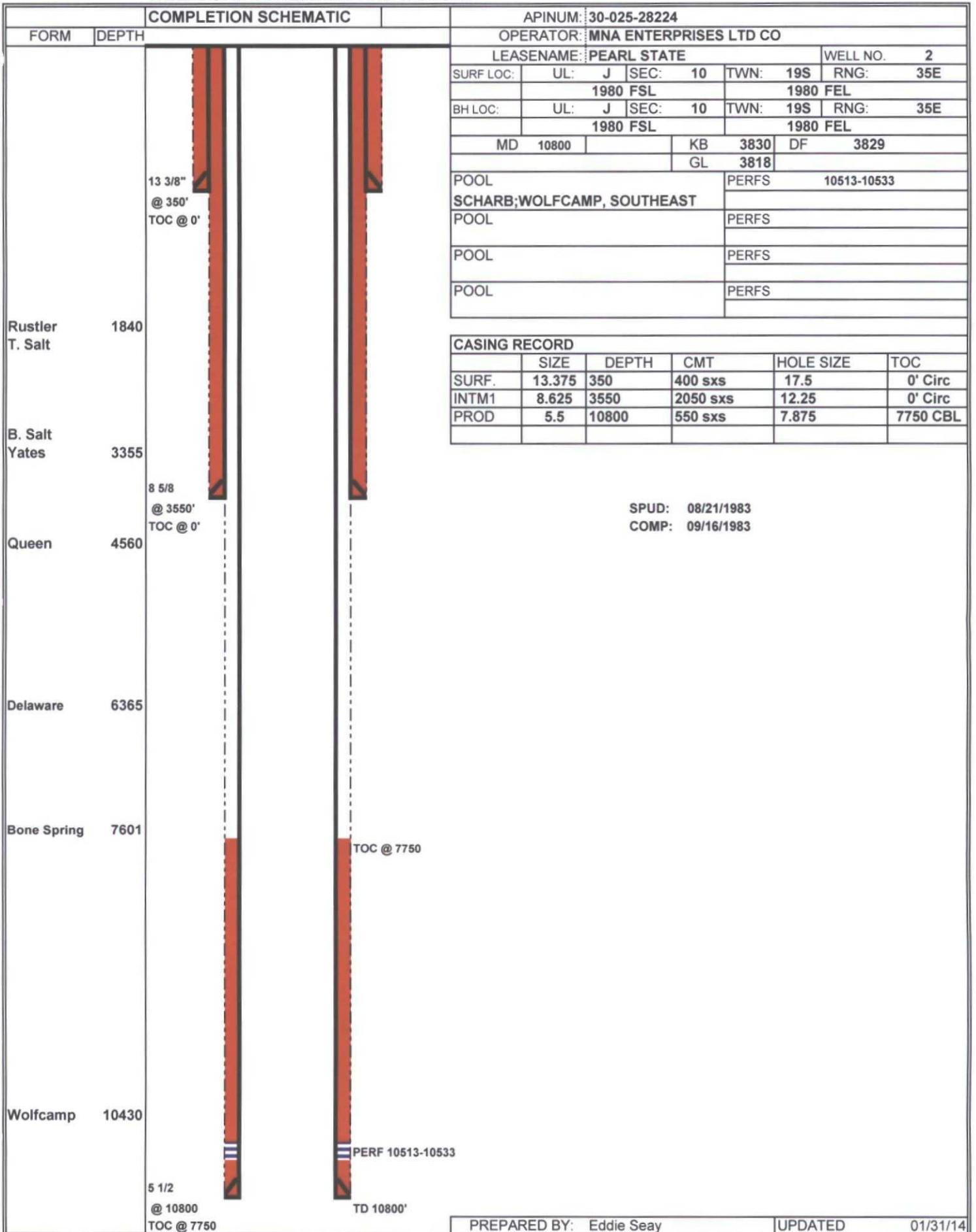
Total Depth: 10800

Injection Interval

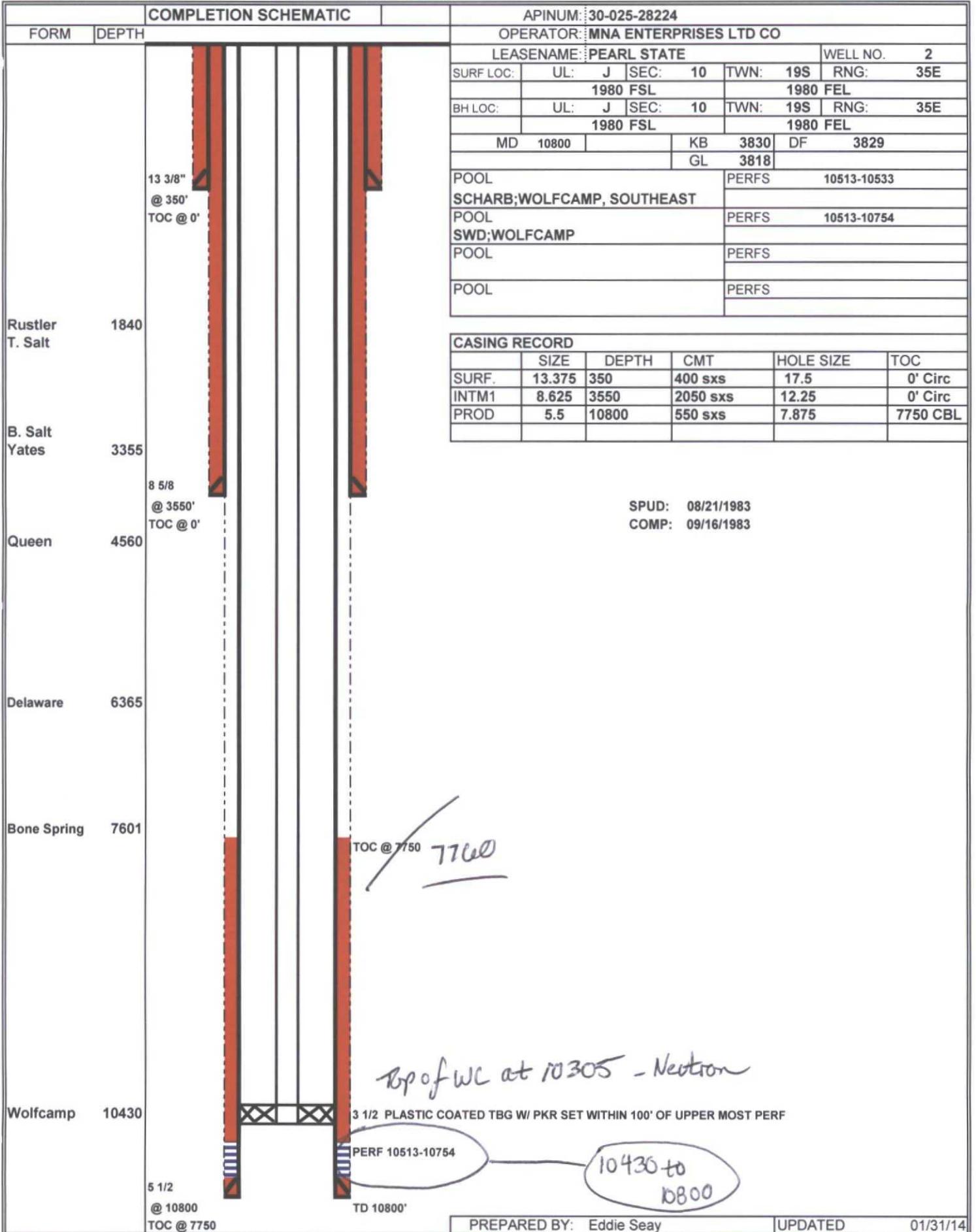
10430 feet to 10800

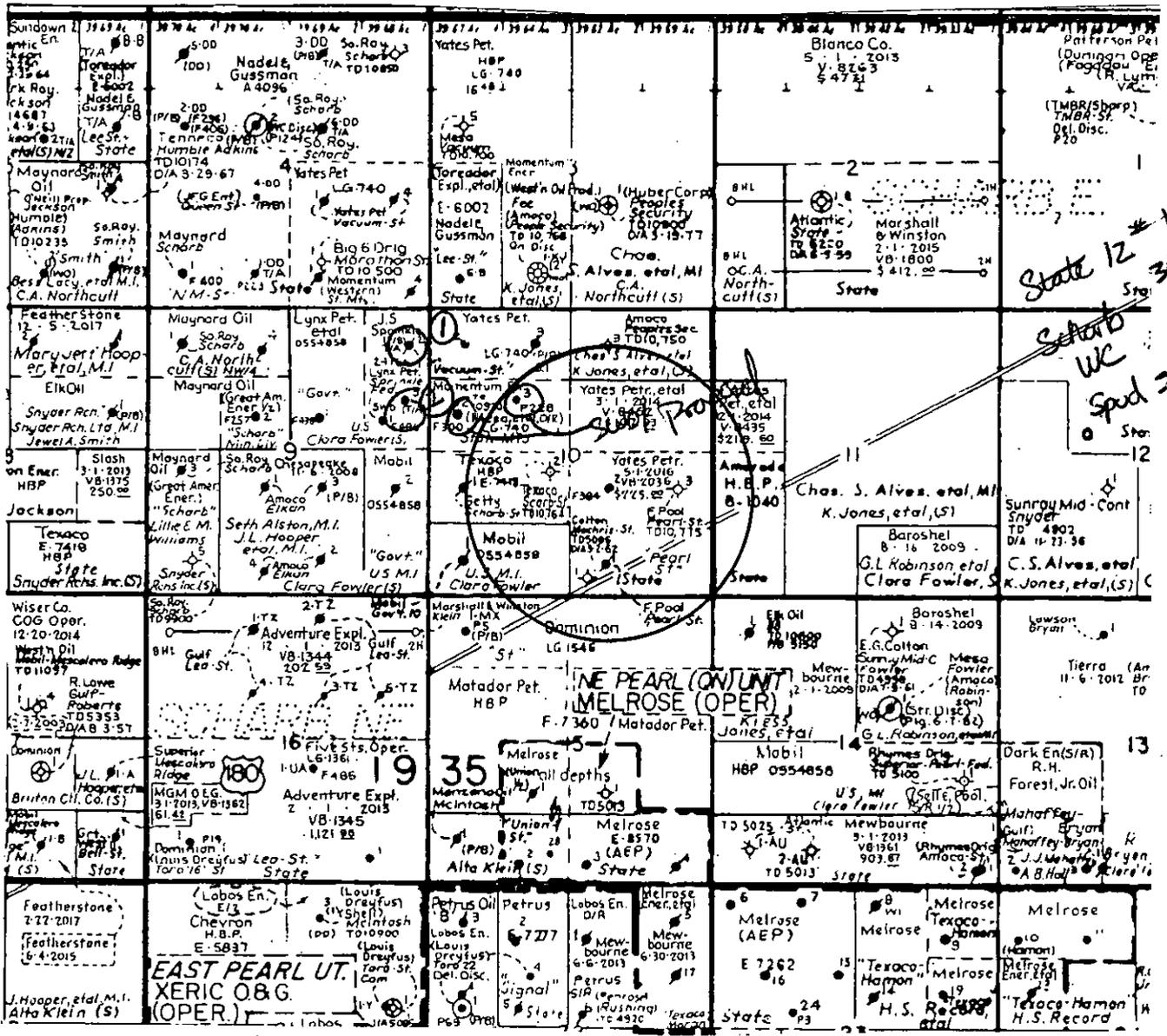
Perforated or Open Hole; indicate which)

WELLBORE SCHEMATIC AND HISTORY



PROPOSED WELLBORE SCHEMATIC





① P&A-WC

② Sprinkle Fed No. 3 (30-025-28521)

2/1/2015 - 87,994 / CUM: 1,702,714

DISPOSAL WELL

30-025-28224	PEARL STATE	2	MNA ENTERPRISES LTD CO	10800	O	A	Lea	S	J	10	19	S	35	E	1980	S	1980	E
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All wells within 1/2 mile of proposed disposal well.

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W		Dist
30-025-28296	PEOPLES SECURITY	3	MOMENTUM ENERGY CORPORATION	10750	O	P	Lea	P	B	10	19	S	35	E	660	N	1980	E	2640
30-025-28247	STATE MTS	3	MNA ENTERPRISES LTD CO	10820	O	A	Lea	S	F	10	19	S	35	E	1650	N	1650	W	2333
30-025-28419	PEARL STATE	3	FRED POOL DRLG INC	10775	O	P	Lea	S	I	10	19	S	35	E	1980	S	660	E	1320
30-025-28625	SHARB 10 STATE	2	TEXACO PRODUCING INC	10765	O	P	Lea	S	K	10	19	S	35	E	2310	S	2310	W	1043
30-025-28298	SHARB 10 STATE	1	GETTY OIL CO	10793	O	P	Lea	S	L	10	19	S	35	E	1980	S	660	W	2640
30-025-28045	PEARL STATE	1	FRED POOL DRLG INC	10743	O	P	Lea	S	O	10	19	S	35	E	600	S	1980	E	1380
30-025-03158	MACHRIS STATE	1	EARL G COLTON	5086	O	P	Lea	S	O	10	19	S	35	E	330	S	2310	E	1682

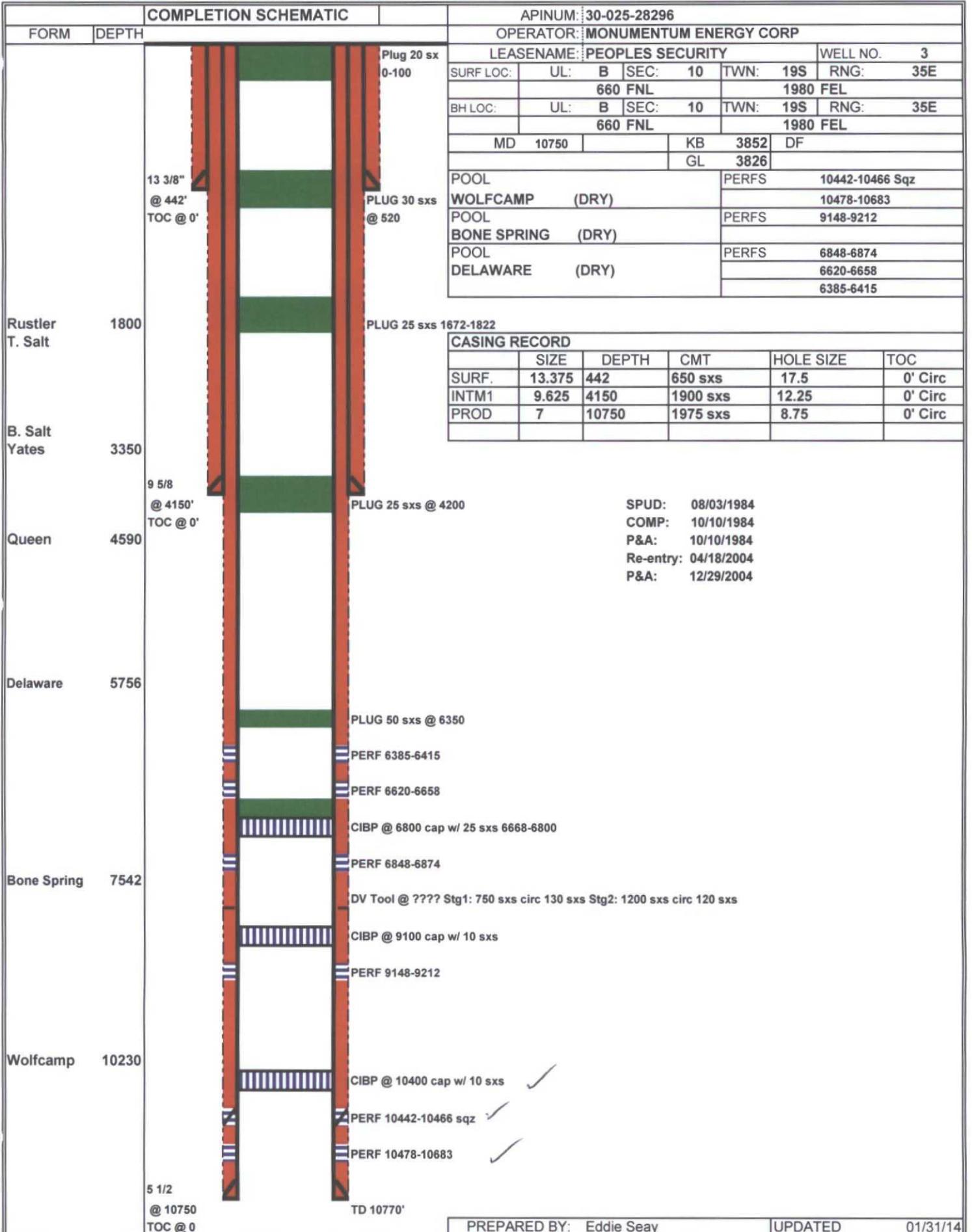
Wells within 1/2 mile of proposed disposal well penetrating the proposed disposal interval.

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STAT	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W		Dist
30-025-28296	PEOPLES SECURITY	3	MOMENTUM ENERGY CORPORATION	10750	O	P	Lea	P	B	10	19	S	35	E	660	N	1980	E	2640
30-025-28247	STATE MTS	3	MNA ENTERPRISES LTD CO	10820	O	A	Lea	S	F	10	19	S	35	E	1650	N	1650	W	2333
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30-025-28298	SHARB 10 STATE	1	GETTY OIL CO	10793	O	P	Lea	S	L	10	19	S	35	E	1980	S	660	W	2640
30-025-28045	PEARL STATE	1	FRED POOL DRLG INC	10743	O	P	Lea	S	O	10	19	S	35	E	600	S	1980	E	1380

6 wells
 ① Active
 ⑤ P&A

Proposed SWD

WELLBORE SCHEMATIC AND HISTORY



PREPARED BY: Eddie Seay

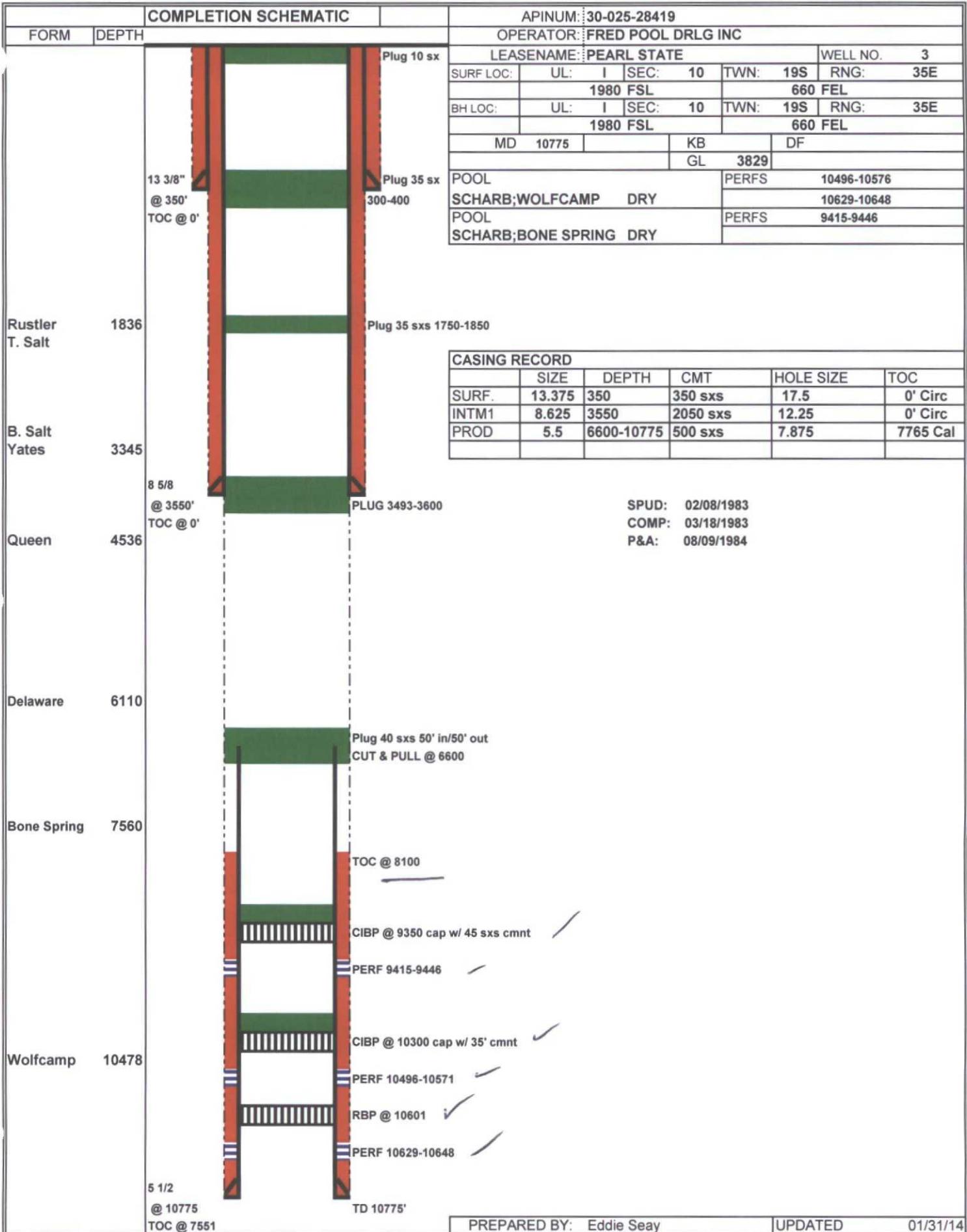
UPDATED

01/31/14

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC		APINUM: 30-025-28247																																	
FORM	DEPTH	OPERATOR: MNA ENTERPRISES LTD CO																																	
		LEASENAME: STATE MTS		WELL NO. 3																															
		SURF LOC: UL: F SEC: 10 TWN: 19S RNG: 35E		1650 FNL		1650 FWL																													
		BH LOC: UL: F SEC: 10 TWN: 19S RNG: 35E		1650 FNL		1650 FWL																													
		MD 10820		KB 3876		DF																													
				GL 3864																															
		POOL SCHARB;WOLFCAMP			PERFS 10535-10775																														
		POOL			PERFS																														
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<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">CASING RECORD</th> </tr> <tr> <th></th> <th>SIZE</th> <th>DEPTH</th> <th>CMT</th> <th>HOLE SIZE</th> <th>TOC</th> </tr> </thead> <tbody> <tr> <td>SURF.</td> <td>13.375</td> <td>325</td> <td>350 sxs</td> <td>17.5</td> <td>0' Circ</td> </tr> <tr> <td>INTM1</td> <td>8.625</td> <td>3575</td> <td>1300 sxs</td> <td>11</td> <td>0' Circ</td> </tr> <tr> <td>PROD</td> <td>5.5</td> <td>10820</td> <td>570 sxs</td> <td>7.875</td> <td>7765 Cal</td> </tr> </tbody> </table>						CASING RECORD							SIZE	DEPTH	CMT	HOLE SIZE	TOC	SURF.	13.375	325	350 sxs	17.5	0' Circ	INTM1	8.625	3575	1300 sxs	11	0' Circ	PROD	5.5	10820	570 sxs	7.875	7765 Cal
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		SPUD: 02/08/1983 COMP: 03/18/1983																																	
		<p style="font-size: 2em; font-family: cursive;">Now SWD - 1490 [June 2014]</p> <p style="font-size: 2em; font-family: cursive;">Wolfcamp</p>																																	
		<p>TOC @ 7765</p> <p>PERF 10535-10775</p> <p>TD 10820'</p>																																	
		5 1/2 @ 10820 TOC @ 7765																																	

WELLBORE SCHEMATIC AND HISTORY

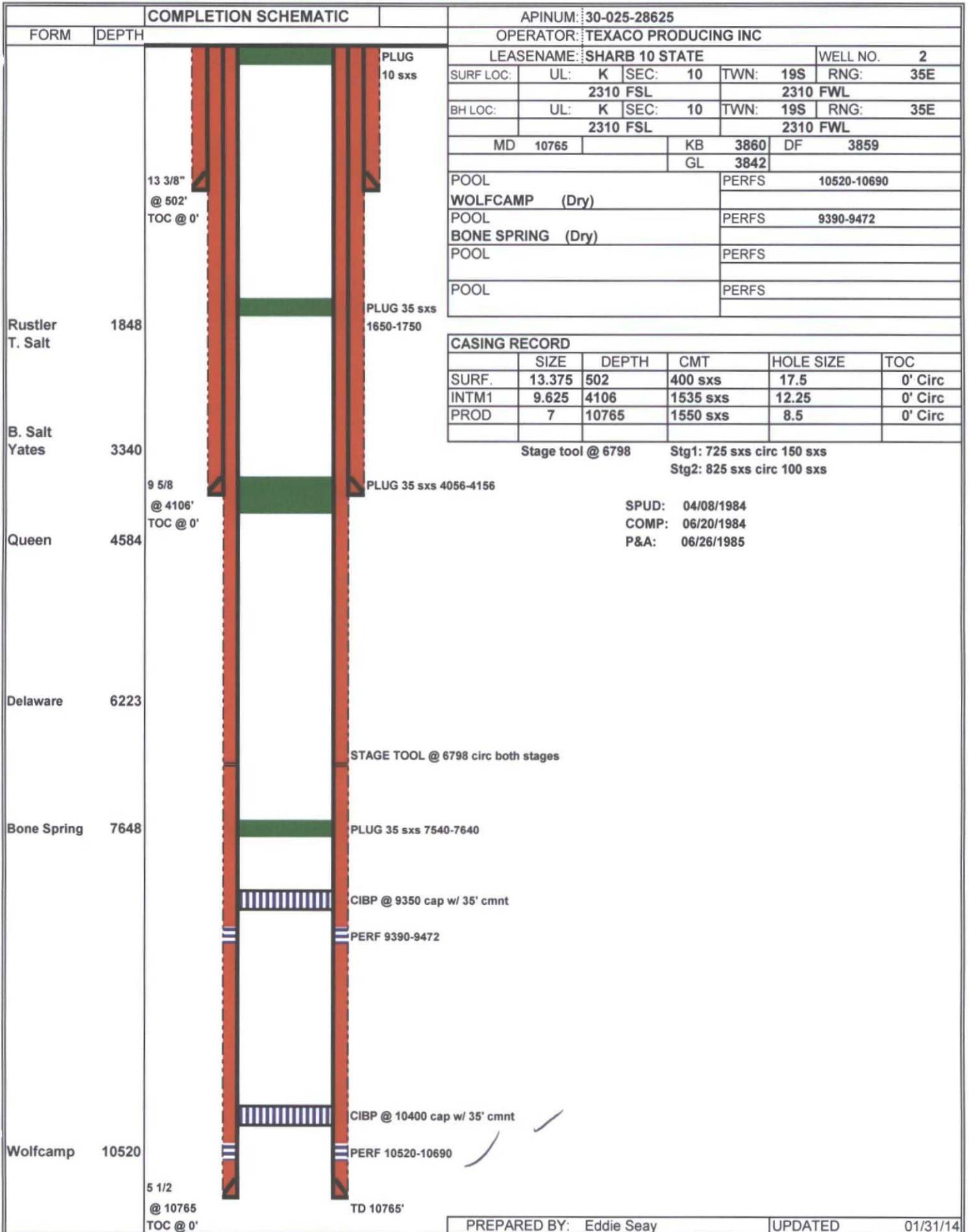


PREPARED BY: Eddie Seay

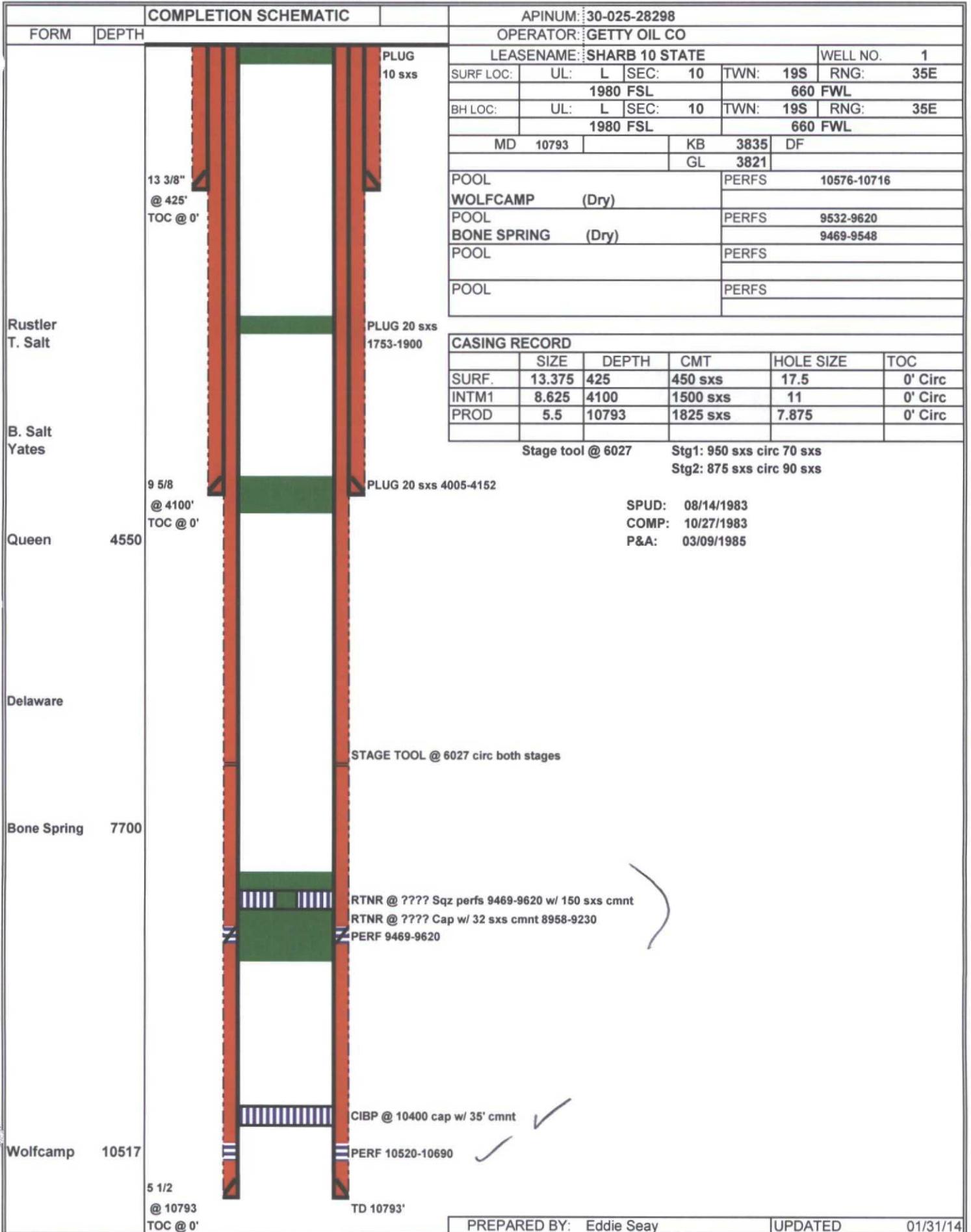
UPDATED

01/31/14

WELLBORE SCHEMATIC AND HISTORY

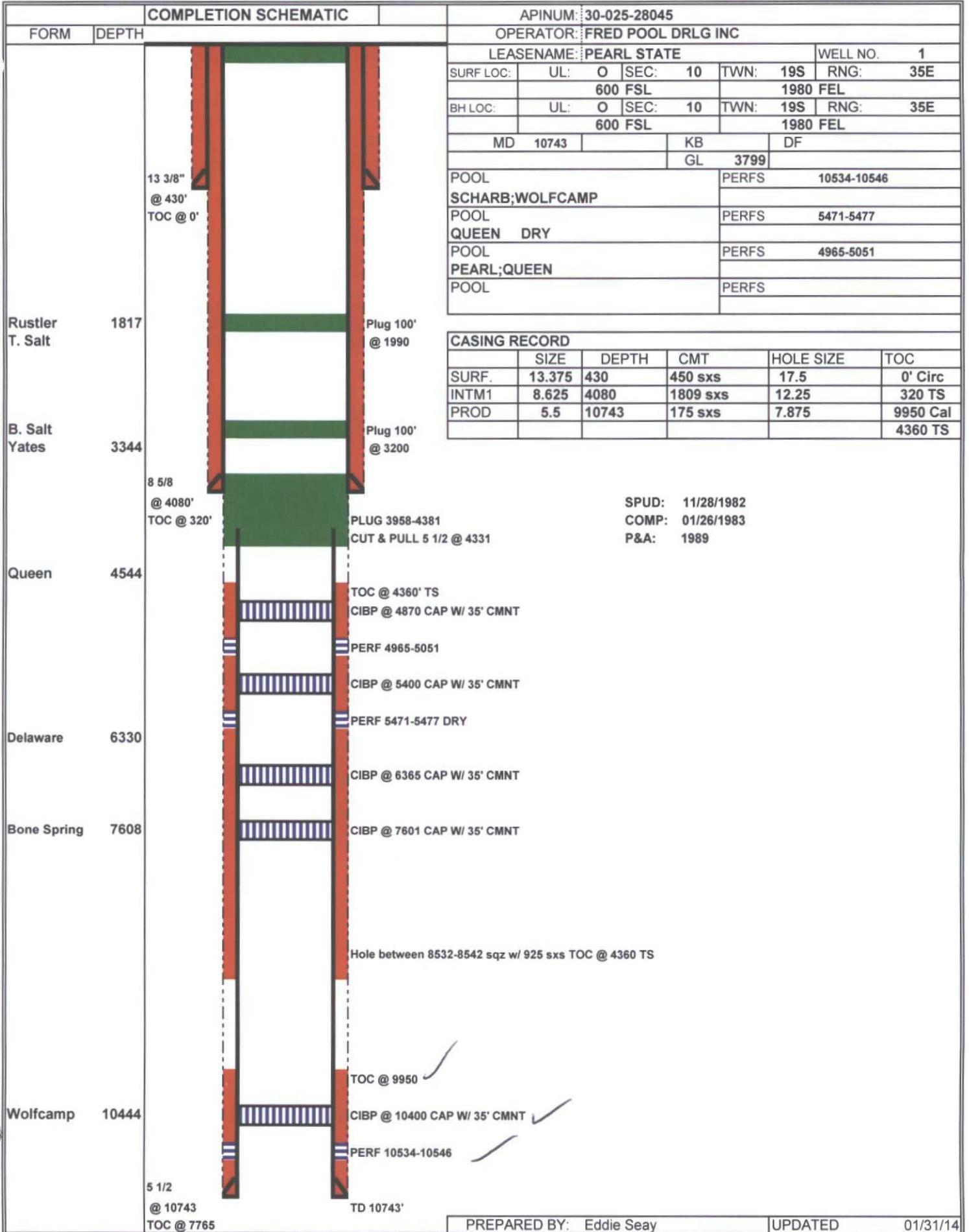


WELLBORE SCHEMATIC AND HISTORY



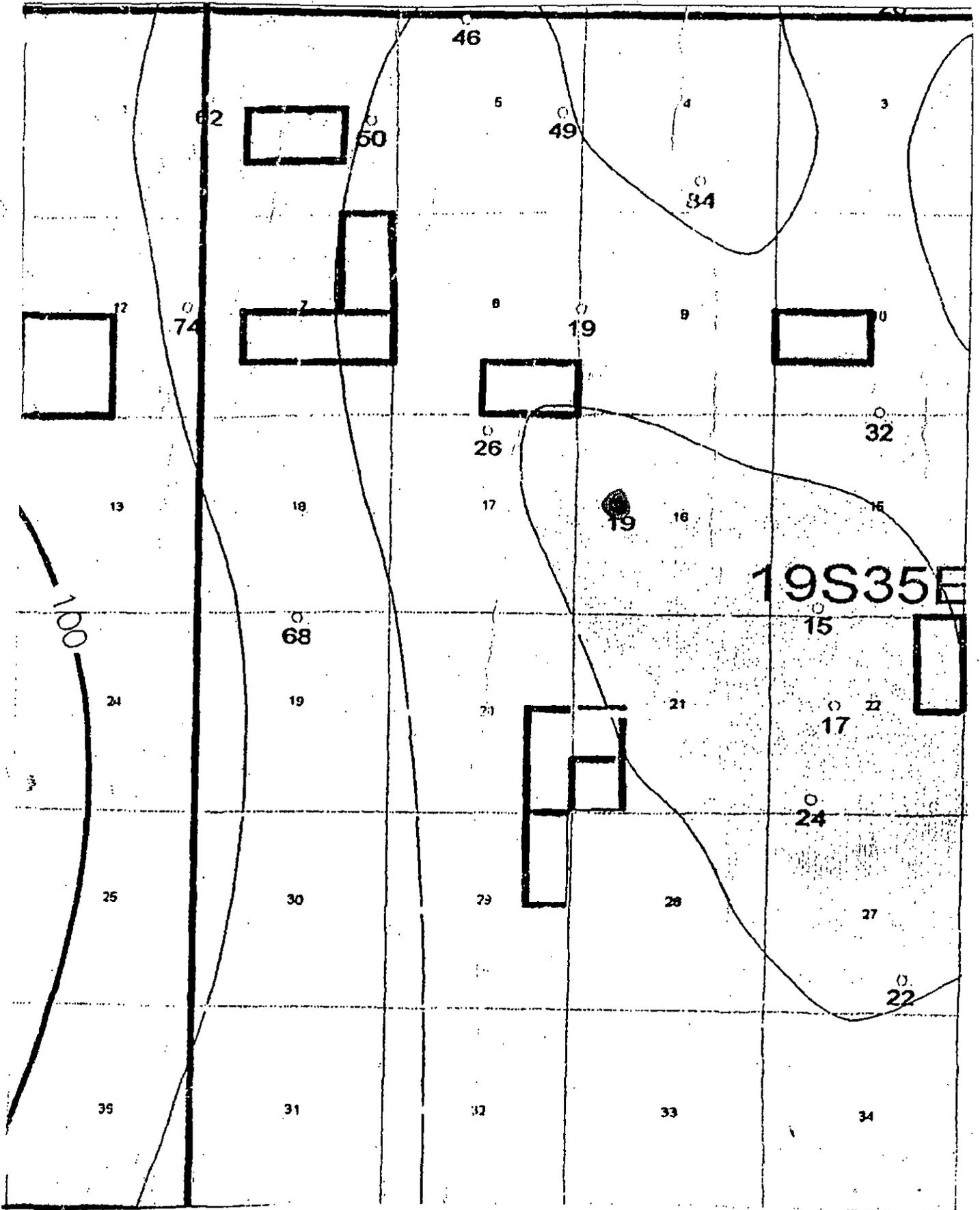
SPUD: 08/14/1983
 COMP: 10/27/1983
 P&A: 03/09/1985

WELLBORE SCHEMATIC AND HISTORY



Water Sample Analysis

Pool	Section	Location Township	Range	Chlorides
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	68533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	118085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	39E	91600
OK Drinkard	30	20S	39E	108855
Littman San Andres	8	21S	38E	38895
East Hobbs Grayburg	29	18S	39E	6461
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	38E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	38494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	18S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kemnitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124980
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23766
Caudill Devonian	9	15S	38E	20874
Townsend Wolfcamp	6	16S	38E	38895
Dean Pemo Perm	5	16S	37E	44730
Dean Devonian	35	15S	38E	19525
South Denton Wolfcamp	28	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky Lake Devonian	29	15S	30E	23288
Wanz Abo	28	21S	37E	192770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114665
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93365
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Ellot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30601
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	179630
Mallamar Grayburg SA	22	17S	32E	46079
Mallamar Paddock	27	17S	32E	115375
Mallamar Devonian	22	17S	32E	25418



● Sample

Groundwater Map

Analytical Results For:

 Eddie Seay Consulting
 Eddie Seay
 601 W. Illinois
 Hobbs NM, 88242
 Fax To: (505) 392-6949

Received:	02/04/2014	Sampling Date:	02/03/2014
Reported:	02/07/2014	Sampling Type:	Water
Project Name:	PEARL ST SWD	Sampling Condition:	Cool & Intact
Project Number:	PEARL ST SWD - WW #1	Sample Received By:	Jodi Henson
Project Location:	SECT 18 T.19 R. 35		

Sample ID: PEARL ST WW #1 (H400333-01)

Chloride, SM4500Cl-B		mg/L		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride*	148	4.00	02/06/2014	ND	104	104	100	3.92		
TPH 8015M		mg/L		Analyzed By: ms						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<1.00	1.00	02/04/2014	ND	44.4	88.8	50.0	16.6		
DRO >C10-C28	<1.00	1.00	02/04/2014	ND	40.5	81.0	50.0	22.6		

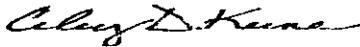
Surrogate: 1-Chlorooctane 91.5% 48.7-164

Surrogate: 1-Chlorooctadecane 86.2% 54.8-165

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

MNA ENTERPRISE LTD. CO.

February 2014

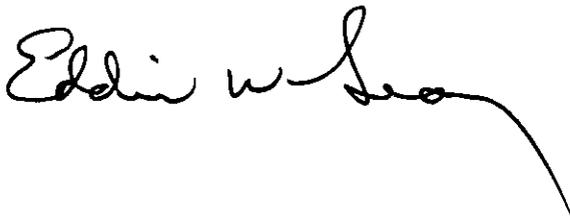
RE: Pearl State #2 (API 30-025-28224)
Unit J, Section 10, Tws. 19 S., Rng. 35 E.
Lea County, NM

Dear Sir:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject in to the above captioned well.

Any questions about the permit can be directed to Eddie W. Seay, (575)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank You,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

LEASE OWNERS AND OFFSETS

LANDOWNER & MINERAL OWNER

NM State Land Office
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

LAND LESSEE

Chris Northcutt
303 North Pearl Valley Rd.
Hobbs, NM 88240

OFFSET OPERATOR & MINERAL OWNERS

Momentum Energy
Box 578
Albany, TX 76430

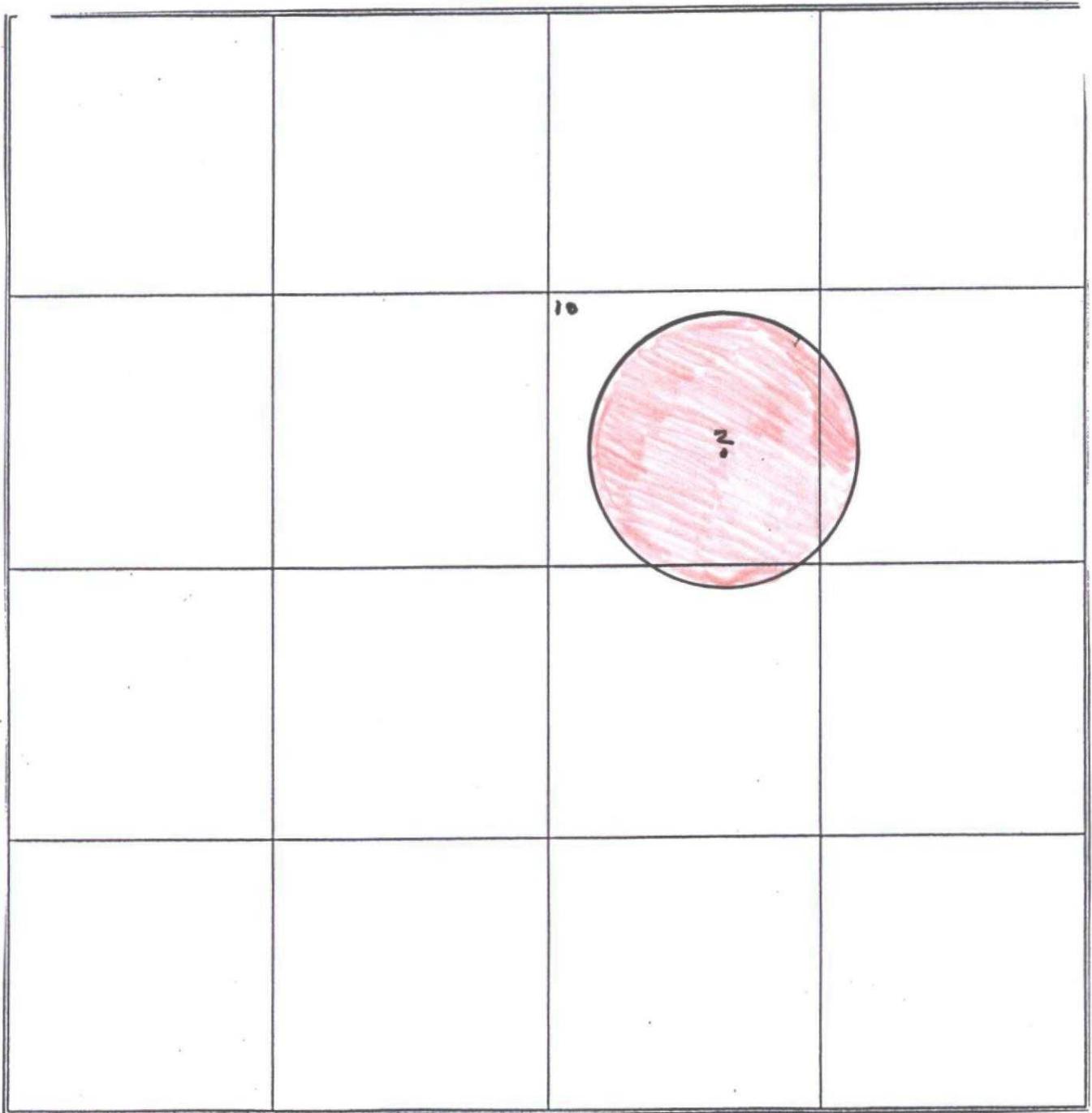
Yates Petroleum Corp.
105 S. Fourth St.
Artesia, NM 88210

Exxon/Mobil Prod. TX & NM Inc.
800 Bell St.
Houston, TX 77002

MNA Enterprises, LTD
106 W. Alabama
Hobbs, NM 88242

Chevron USA Inc.
15 Smith Road
Midland, TX 79705

Surface + Mineral owner



● State of New Mexico
State Land Office

7013 1710 0000 1868 6104

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Total Postage & Fees	\$ 7.61

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FEB 13 2014
USPS

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Albany, TX 76430

PS Form 3800, August 2006 See Reverse for Instructions

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PS Form 3800, August 2006 See Reverse for Instructions

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 Street, Apt. No., or PO Box
15 Smith Road
 City, State, ZIP+4
Midland, TX 79705

PS Form 3800, August 2006 See Reverse for Instructions

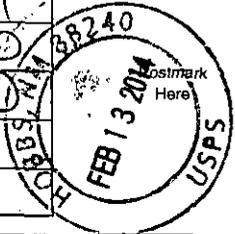
7013 1710 0000 1868 6061

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Sent To
 Chris Northcutt
 Street, Apt. No., or PO Box No. 303 N. Pearl Valley Rd.
 City, State, ZIP+4 Hobbs, Nm 88240

PS Form 3800, August 2006 See Reverse for Instructions

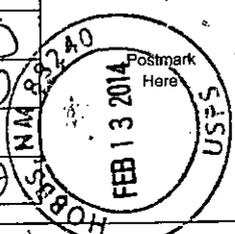
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Sent NM State Land Office
 Street, Apt. No., or PO Box No. 310 Old Santa Fe Trail
 City, State, ZIP+4 Box 1148
 Santa Fe, NM 87504-1148

PS Form 3800, August 2006 See Reverse for Instructions

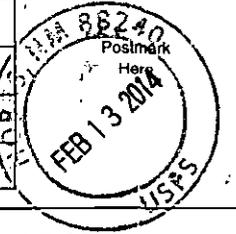
9213 1710 0000 1868 6128

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.61



Sent To
 Exxon/Mobil-Prod. TX & NM Inc.
 Street, Apt. No., or PO Box No. 800 Bell St.
 City, State, ZIP+4 Houston, TX 77002

PS Form 3800, August 2006 See Reverse for Instructions

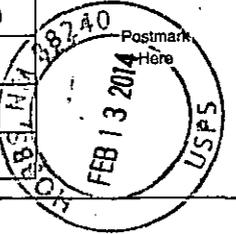
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Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
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Sent To
 Yates Petroleum Corp.
 Street, Apt. No., or PO Box No. 105 S. Fourth St.
 City, State, ZIP+4 Artesia, NM 88210

PS Form 3800, August 2006 See Reverse for Instructions

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, MNA Enterprise LTD Co., 106 W. Alabama, Hobbs, NM 88242, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Pearl State #2, located in Unit J, Section 10, Township 19 South, Range 35 East, Lea Co., NM. The injection formation is the Wolfcamp through perforations from 10430' to 10800' below surface. Expected maximum injection rate is 10,000 bpd., and the expected maximum injection pressure is 2000 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

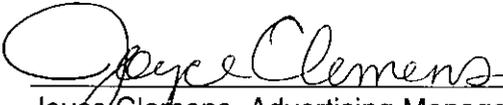
Affidavit of Publication

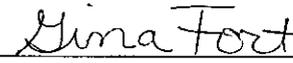
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

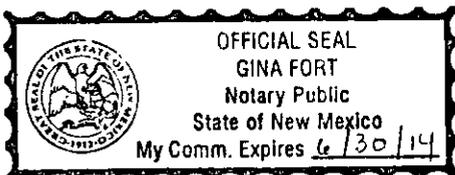
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of February 15 , 2014 and ending with the issue of February 15 , 2014.

And that the cost of publishing said notice is the sum of \$ 26.93 which sum has been (Paid) as Court Costs.


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 17th day of February , 2014.


Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2014



LEGAL NOTICE
Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, MNA Enterprise LTD Co., 106 W. Alabama, Hobbs, NM 88242, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Pearl State #2, located in Unit 1, Section 10, Township 19 South, Range 35 East, Lea Co., NM. The injection formation is the Wolfcamp through perforations from 10430' to 10800' below surface. Expected maximum injection rate is 10,000 bpd., and the expected maximum injection pressure is 2000 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-2440, 1220 South Saint Francis Drive, Santa Fe, NM 87504 within fifteen (15) days.

Published in the Lovington Leader February 15, 2014.



C-108 Review Checklist: Received 02/27/15 Add. Request: No prod or economic determination/NMSLO Reply Date: 03/25/15 Suspended: DKC application by Lawson [Ver 15]

ORDER TYPE: WFX / PMX / 8WD Number: 1542 Order Date: 03/25/15 Legacy Permits/Orders: ---

Well No. 2 Well Name(s): Pearl State

API: 30-0 25-28224 Spud Date: 8/21/83 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 1980 FSL/1980 FEL Lot --- or Unit 5 Sec 10 Tsp 19S Rge 35E County Lea

General Location: N of US180; 5mi SW of Arkansas For Pool: Schard, WC, SE Pool No.: 55650

BLM 100K Map: Hobbs Operator: MNA Enterprises LTD Inc OGRID: 124768 Contact: Eddie Seay/Agent

COMPLIANCE RULE 5.9: Total Wells: 20 Inactive: 2 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 03/25/15

WELL FILE REVIEWED Current Status: Active, but no producing; LOV for extended Non-reporting 2008-2012

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: Comp New/Litho Density - CBL - Dual Ind.

Planned Rehab Work to Well: Use existing construction with new tubing/packer

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface	17 1/2 13 3/8	0 to 350	400	Cir. to surface
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Interm/Prod	12 1/4 9 5/8	0 to 3550	2850 1850	[Cir but no pull]
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Interm/Prod	7 7/8 5 1/2	0 to 10800	550	[CBL 7760]
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner	---	---	---	---
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner	---	---	---	---
Planned <input checked="" type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH/PERF	7 7/8 5 1/2	10513 to 10533	Inj Length 370'	

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		DMG	Drilled TD <u>WC at 10305</u> PBDT <u>NA</u>
Confining Unit: <u>Litho</u> Struc. Por.	<u>± 125</u>	Bone Spring	NEW TD <u>NA</u> NEW PBDT <u>NA</u>
Proposed Inj Interval TOP:	<u>10430</u>	wolfcamp	NEW Open Hole <input type="checkbox"/> or NEW Perfs <u>Not identical</u>
Proposed Inj Interval BOTTOM:	<u>10800</u>		Tubing Size <u>3 1/2</u> in. Inter Coated? <u>Yes</u>
Confining Unit: <u>Litho</u> Struc. Por.	<u>± 700</u>	Gas Strawn	Proposed Packer Depth _____ ft
Adjacent Unit: Litho. Struc. Por.		Canyon Mtns	Min. Packer Depth _____ (100-ft limit)
AOR: Hydrologic and Geologic Information			Proposed Max. Surface Press. <u>2000</u> psi
POTASH: R-111- <u>Ab</u> Noticed? <u>NA</u> BLM Sec Ord <u>NA</u> WIPP <u>NA</u> Noticed? <u>NA</u> Salt/Salado T: <u>---</u> B: <u>---</u> NW: Cliff House fm <u>NA</u>			Admin. Inj. Press. <u>20</u> (0.2 psi per ft)
FRESH WATER: Aquifer <u>Ogallala (ledge) Red Beds</u> Max Depth <u>< 50'</u> at <u>< 50'</u>			
NMOSE Basin: <u>Lea</u> CAPITAN REEF: thru <input type="checkbox"/> adj <input type="checkbox"/> NA <input checked="" type="checkbox"/> No. Wells within 1-Mile Radius? <u>0</u> FW Analysis <input checked="" type="checkbox"/>			
Disposal Fluid: Formation Source(s) <u>Bone Spring/WC/Queen</u> Analysis? <u>Historical</u> On Lease <input type="checkbox"/> Operator Only <input type="checkbox"/> or Commercial <input checked="" type="checkbox"/>			
Disposal Int: Inject Rate (Avg/Max BWPD): <u>10,000</u> Protectable Waters? <u>No</u> Source: <u>Historical</u> System: Closed <input checked="" type="checkbox"/> or Open <input type="checkbox"/>			
HC Potential: Producing Interval? <u>Yes</u> Formerly Producing? <u>Yes</u> Method: Logs/DST/P&W/Other <u>NMSLO</u> 2-Mile Radius Pool Map <u>AB</u>			
AOR Wells: 1/2-M Radius Map? <u>Yes</u> Well List? <u>Yes</u> Total No. Wells Penetrating Interval: <u>6</u> Horizontals? <u>No</u>			
Penetrating Wells: No. Active Wells <u>1</u> Num Repairs? <u>0</u> on which well(s)? _____ Diagrams? <u>Yes</u>			
Penetrating Wells: No. P&A Wells <u>5</u> Num Repairs? <u>0</u> on which well(s)? _____ Diagrams? <u>Yes</u>			

NOTICE: Newspaper Date 02/13/14 Mineral Owner NMSLO Surface Owner NMSLO N. Date 02/13/14

RULE 26.7(A): Identified Tracts [Midland map] Affected Persons: Momentum Energy; Exxon Mobil; MNA; Chevron N. Date 02/13/14

Order Conditions: Issues: No special requirements

Add Order Cond: No Special Requirements

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4691
Order Date: August 15, 2014
Application Reference Number: pMAM1401741438

Lawson Operating LLC
P. O. 52267
Midland, Texas 79710

Attention: Mr. Paul Lawson

State "MX" Well No. 1
API No. 30-025-28164
Unit D, Section 15, Township 19 South, Range 35 East, NMPM
Lea County, New Mexico

Pool	SCHARB; BONE SPRING	Oil	55610
Names:	SCHARB; WOLFCAMP, EAST	Oil	55650

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover. Allocations shall be based on results from workover and testing operations from this well.

Administrative Order DHC-4691
Lawson Operating LLC
August 15, 2014
Page 2 of 2

REMARKS: The operator shall notify the Division's district I office upon implementation of commingling operations.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
State Land Office – Oil, Gas and Minerals Division

Goetze, Phillip, EMNRD

From: Holm, Anchor <aholm@slo.state.nm.us>
Sent: Wednesday, March 25, 2015 2:43 PM
To: Goetze, Phillip, EMNRD; Jaramillo, Nick
Cc: Martin, Ed
Subject: FW: NMSLO Input SWD Conversion of the Pearl State No. 2 (30-025-28224)
Attachments: Pearl #2.xlsx; MNA_ Pearl State No. 2.pdf

Phil and Nick,

I have reviewed the production data on this well. The well last produced during September 2012 making only 6 BO. This well has been shut-in since then.

Since the well was not producing in paying quantities in 2012, the State Land Office has no concerns as it's conversion to SWD into the same 10,513'+ interval.

However, MNA will need to obtain a SWD Easement from the SLO.

Anchor Holm

*GeoScientist/Petroleum Engineering Specialist
NM State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Ph. 505-827-5759
aholm@slo.state.nm.us*

From: Goetze, Phillip, EMNRD [<mailto:Phillip.Goetze@state.nm.us>]
Sent: Wednesday, March 25, 2015 9:37 AM
To: Holm, Anchor
Subject: NMSLO Input SWD Conversion of the Pearl State No. 2 (30-025-28224)

Anchor:

I'm going over an old application by MNA to convert a Wolfcamp from a producer to injection (commercial). It's over a year old and I don't know if NMSLO had taken a look at the impact on trust revenues for the tract. The well info: Pearl State No. 2 (30-025-28224); J-10-195-35E. Applicant is to use the same completion as production (perfs from 10513' to 10533'). I'm still going over production in the Scharb Wolfcamp pool and seeing the implications to active producers. At this point, I see no issues – but still doing the production in the area. Does the SLO have any concerns/comments on the application? I want to get this one off the books. Thanks. PRG

Phillip R. Goetze, P.G.
Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462
phillip.goetze@state.nm.us

Well_Name: GRATEFUL BOD FEDERAL COM # 1H API: 3001538990
Operator Name: YATES PETROLEUM CORP
Pool Name: SAND TANK; BONE SPRING

Month	Oil(BBLS)	Gas(MCF)
14-Jul	1518	9122
14-Aug	1549	10450
14-Sep	1289	9561
14-Oct	1299	4916
14-Nov	829	7013
14-Dec	795	7083
15-Jan	679	6981
CUM	104565	292967

Pearl State No. 2 (30-025-28244): Oil Production vs. Time

