



**WASTE CONNECTIONS, INC.**  
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2015 AUG -3 P 3:19

July 29, 2015

Mr. Phillip Goetze  
Engineering and Geological Services  
New Mexico Oil Conservation Division  
1220 So. St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Commercial SWD Well Application, Okerlund SWD #1, 360 Permian Basin LLC, Unit M (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico**

Dear Mr. Goetze,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be 1470' FSL and 1555' FEL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 14,000 and 16,000 feet. Notification and a copy of the permit application were sent to the NMOCD District 1 office in Hobbs, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

cc: Maxey Brown – Supervisor

Enc/



3 Waterway Square Place, Suite 110, The Woodlands, TX 77380

Tel (832) 442-2200 • Fax (832) 442-2290 • [www.wasteconnections.com](http://www.wasteconnections.com)

**OKERLUND SWD WELL #1**

**PERMIT APPLICATION**

Unit J (NW/4, SE/4), Section 7

Township 21 South, Range 32 East

Lea County, New Mexico

LAI Project No. 15-0126-01

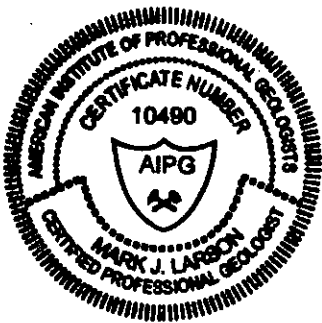
July 29, 2015

Prepared for:

R360 Permian Basin, LLC  
3 Waterway Square Place, Suite 110  
The Woodlands, Texas 79705

Prepared by:

Larson & Associates, Inc.  
507 North Marienfeld, Suite 200  
Midland, Texas 79701



A handwritten signature of Mark J. Larson, consisting of a stylized 'M' and 'J' with a horizontal line underneath.

Mark J. Larson

Certified Professional Geologist #10490

A handwritten signature of Michael T. Gant, featuring a stylized 'M' and 'G' with a horizontal line underneath.

Michael T. Gant

Staff Geologist

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2015 AUG - 3 P 3: 18

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? Yes No
- II. OPERATOR: R360 Permian Basin, LLC (a wholly owned subsidiary of Waste Connections, Inc.)  
ADDRESS: 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380  
CONTACT PARTY: Chris Ruane, Director of Engineering PHONE: (832) 442-2204
- 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 X 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: Luke Bross TITLE: Project Manager  
SIGNATURE: [Signature] DATE: 7/29/2015  
E-MAIL ADDRESS: lukcb@R360ES.com
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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

**ATTACHMENT III**  
**Injection Well Data Sheet**

## INJECTION WELL DATA SHEET

OPERATOR: R360 Permian Basin, LLCWELL NAME & NUMBER: Okerlund SWD #1

WELL LOCATION: 1470' FSL/1555' FEL      J      7      21S      32E  
 FOOTAGE LOCATION      UNIT LETTER      SECTION      TOWNSHIP      RANGE

WELLBORE SCHEMATIC

See Attached

WELL CONSTRUCTION DATASurface CasingHole Size: See Attached      Casing Size: See AttachedCemented with: See Attached sx.      *or*                                  ft<sup>3</sup>Top of Cement: See Attached      Method Determined:                                 Intermediate CasingHole Size: See Attached      Casing Size: See AttachedCemented with: See Attached sx.      *or*                                  ft<sup>3</sup>Top of Cement: See Attached      Method Determined:                                 Production CasingHole Size: See Attached      Casing Size: See AttachedCemented with: See Attached sx.      *or*                                  ft<sup>3</sup>Top of Cement:                                       Method Determined:                                 Total Depth:                                 Injection Interval14,000' feet to 16,000'

(Perforated or Open Hole; indicate which)

# INJECTION WELL DATA SHEET

Tubing Size: 4.5" Lining Material: Composite Fiberglass (CLS100)

Type of Packer: Arrowset IX

Packer Setting Depth: TBD

Other Type of Tubing/Casing Seal (if applicable):

## Additional Data

1. Is this a new well drilled for injection? X Yes  No

If no, for what purpose was the well originally drilled?

2. Name of the Injection Formation: Devonian

3. Name of Field or Pool (if applicable): SWD Devonian

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. N/A

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Yates (2,783'), Delaware (4,900'), Bone Springs (7,963'), Morrow (12,500')

## Drilling Plan

1. **Location:**

Legal: 1470' FSL 1555' FEL Unit M (NW/4, SE/4) Section 7, Township 21 South, Range 32 East  
Lea County, New Mexico

GPS: 32.4899444° -103.7104889°

O&G Lease#: NMNM-022809

2. **Elevation Above Sea Level: 3,644'**

3. **Geologic Name of Surface Formation: Alluvium**

4. **Proposed Drilling Depth: 16,000'**

5. **Estimated Tops of All Geologic Formations:**

| Formation          | Estimated Top (feet) | Bearing                         |
|--------------------|----------------------|---------------------------------|
| Triassic           |                      | <10' of perched water @ 40' BGS |
| Salado             | 350                  | N/A                             |
| Tansil             | 2,800                | N/A                             |
| Yates              | 2,950                | N/A                             |
| Capitan            | 3,300                | N/A                             |
| Delaware Mountain  | 5,100                | Hydrocarbons                    |
| Bone Spring        | 8,100                | Hydrocarbons                    |
| Wolfcamp           | 10,650               | Hydrocarbons                    |
| Strawn             | 11,950               | Hydrocarbons                    |
| Atoka              | 12,250               | Hydrocarbons                    |
| Morrow             | 12,725               | Hydrocarbons                    |
| Barnett            | 13,375               | Hydrocarbons                    |
| Mississippian Lime | 13,650               | Hydrocarbons                    |
| Woodford Shale     | 14,175               | Hydrocarbons                    |
| Devonian (Target)  | 14,350               | N/A                             |
| Montoya            | 15,600               | N/A                             |
| Simpson            | 15,950               | N/A                             |
| Ellenberger        | 16,300               | N/A                             |

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6. **Proposed Casing Program:**

| Name                         | Hole (inches) | Size (inches) | Setting Depth (Feet) | Grade   | Weight (lbs/ft) | Thread | Condition | Burst SF. | Coll. SF | Ten. SF |
|------------------------------|---------------|---------------|----------------------|---------|-----------------|--------|-----------|-----------|----------|---------|
| Surface                      | 26            | 20            | 1060                 | J55 ✓   | 106.4           | LTC    | New       | 1.2       | 1.125    | 1.6     |
| 1 <sup>st</sup> Intermediate | 17 ½          | 13 ¾          | 2,900 ✓              | J55 ✓   | 68              | LTC    | New       | 1.2       | 1.125    | 1.6     |
| 2 <sup>nd</sup> Intermediate | 12 ¼          | 9 5/8         | 5,100 ✓              | L80 ✓   | 47              | LTC    | New       | 1.2       | 1.125    | 1.6     |
| Production                   | 8 ½           | 7             | 0-120 ✓              | HCL80 ✓ | 35              | LTC    | New       | 1.2       | 1.125    | 1.6     |
| Production                   | 8 ½           | 7             | 120-11,000 ✓         | P-110 ✓ | 29              | LTC    | New       | 1.2       | 1.125    | 1.6     |
| Production                   | 8 ½           | 7             | 11,000-14,300 ✓      | HCL80 ✓ | 35              | LTC    | New       | 1.2       | 1.125    | 1.6     |
| Tubing                       | 5 7/8         | 4 ½           | 0-5,000 ✓            | P-110 ✓ | 11.6            | LTC    | New       | 1.2       | 1.125    | 1.6     |
| Tubing                       | 5 7/8         | 4 ½           | 5,000-14,300 ✓       | L-80 ✓  | 11.6            | LTC    | New       | 1.2       | 1.125    | 1.6     |
| Open Hole                    | 5.875         |               | 14300-16000 ✓        | NA      | NA              | NA     | NA        |           |          |         |

7. **Drilling Procedure:** Spud well and drill down each interval to total depth of that interval, staying in compliance with OCD/BLM rules and regulations and following this APD drilling plan. Casing off the Potash and Capitan with separate strings per the BLM. Each casing string will be cemented and cement will be circulated to surface. There are DV Tools in the casing strings to insure getting cement all the way to surface. Mud weights are spelled out below in paragraph 10 – Types and Characteristics of mud system. After reaching total casing depth of 14,300', OH Logs (Paragraph 12) will be run 14300-5100 GR-CNL to surf, we will cement the 7" as spelled out in this APD. We will pick up a 5 7/8" bit to drill the injection interval for the open-hole completion; OH logs (see Paragraph 12) will be run TD-14300. The depths from 14,300' to 16,000' will not have a casing string, thus an "open-hole" completion. The Devonian target zone for injecting is a depleted zone considered to be under pressured and will be drilled with cut brine 8.4-8.9 PPG. The injection tubing will be set to depth of 14,300' inside the 7". All intervals will be logged prior to running casing per BLM/OCD re

8. **Pressure Controls:**

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be test per BLM Onshore Oil and Gas Order 2.

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be test per BLM Onshore Oil and Gas Order 2.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories, include a Kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

9. **Cement Program:**

Surface: Float/Landing Collar set @ 1015'. We will circulate cement to surface

| Interval | Amount (sacks) | Ft of Fill | Excess (%) | PPG  | Ft <sup>3</sup> /sx | Volume (ft <sup>3</sup> ) | Cement Type   |
|----------|----------------|------------|------------|------|---------------------|---------------------------|---|
| Lead     | 800            | 346        | 100        | 13.5 | 1.75                | 1400                      | Premium Plus C Cement + 0.005 lbs/sack Static Free + 2% bwoc Calcium Chloride + 0.05% bwoc R-3 + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 4% bwoc Bentonite II |
| Tail     | 575            | 714        | 100        | 14.8 | 1.34                | 770                       | Premium Plus C Cement + 0.005 lbs/sack Static Free + 2% bwoc Calcium Chloride + 0.005 gps FP-6L   |

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1<sup>st</sup> Intermediate: Stage 1 Float/Landing Collar set @ 1800, Stage 2 Collar set @ 1,800'. We will circulate cement to surface.

13 3/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust DVT depth per circulation requirements. The current estimated setting is 1800' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

| Interval     | Amount (sacks) | Ft of Fill      | Excess (%) | PPG  | Ft <sup>3</sup> /sx | Volume (ft <sup>3</sup> ) | Cement Type  |
|--------------|----------------|-----------------|------------|------|---------------------|---------------------------|--|
| Stage 1 Lead | 620            | 1460'           | 100        | 12.7 | 2.10                | 1302                      | Premium Plus C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 2% bwoc Sodium Metasilicate   |
| Stage 1 Tail | 275            | 340'            | 100        | 14.8 | 1.35                | 372                       | Premium Plus C Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc CD-32 + 0.6% bwoc FL-62 + 0.005 gps FP-6L + 0.4% bwoc Sodium Metasilicate   |
| Stage 2 Lead | 770            | 714' to surface | 100        | 11.9 | 2.46                | 1895                      | (50:50) Poz (Fly Ash): Premium Plus C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 5 lbs/sack LCM-1 + 3% bwoc FL-52 + 0.005 gps FP-6L + 3% bwoc Sodium Metasilicate + 10% bwoc Bentonite II |
| Stage 2 Tail | 275            | 386'            | 100        | 14.8 | 1.35                | 372                       | Premium Plus C Cement + 0.005 lbs/sack Static Free + 1.5% bwoc Calcium Chloride + 0.005 gps FP-6L  |

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2<sup>nd</sup> Intermediate: Stage 1 Float/Landing Collar set @ 4855', Stage 2 Collar set @ 3,300'.

9 5/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 3300' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

| Interval     | Amount (sacks) | Ft of Fill | Excess (%) | PPG  | Ft <sup>3</sup> /sx | Volume (ft <sup>3</sup> ) | Cement Type  |
|--------------|----------------|------------|------------|------|---------------------|---------------------------|--|
| Stage 1 Lead | 245            | 838        | 50         | 11.9 | 2.10                | 514                       | (50:50) Poz (Fly Ash): Premium Plus H Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc FL-25 + 0.005 gps FP-6L + 2% bwoc Bentonite II     |
| Stage 1 Tail | 200            | 762'       | 0          | 14.2 | 1.27                | 254                       | (50:50) Poz (Fly Ash): Premium Plus H Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc FL-52 + 0.005 gps FP-6L + 2% bwoc Bentonite II     |
| Stage 2 Lead | 450            | 2485'      | 50         | 12.7 | 2.07                | 932                       | Premium Plus C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 0.4% bwoc Sodium Metasilicate         |
| Stage 2 Tail | 250            | 815'       | 50         | 14.8 | 1.35                | 337                       | Premium Plus H Cement + 0.005 lbs/sack Static Free + 2% bwow Sodium Chloride + 0.5% bwoc CD-32 + 0.6% bwoc FL-62 + 0.005 gps FP-6L + 0.4% bwoc Sodium Metasilicate |

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Production: Stage 1 Float/Landing Collar set @ 14,260', Stage 2 Collar set @ 10,500', Stage 3 Collar set @ 5,175'. We will circulate cement to surface.

7" Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 5175' and 10,500' cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

| Interval     | Amount (sacks) | Ft of Fill | Excess (%) | PPG  | Ft <sup>3</sup> /sx | Volume (ft <sup>3</sup> ) | Cement Type   |
|--------------|----------------|------------|------------|------|---------------------|---------------------------|---|
| Stage 1 Lead | 770            | 3800'      | 35         | 13.5 | 1.49                | 782                       | (15:61:11) Poz (Fly Ash):Premium Plus H Cement:CSE-2 + 0.005 lbs/sack Static Free + 3 lbs/sack LCM-1 + 2% bwoc FL-62 + 0.005 gps FP- 6L + 0.25% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A       |
| Stage 2 Lead | 495            | 1082'      | 25         | 12.7 | 1.95                | 965                       | (35:65) Poz (Fly Ash):Premium Plus H Cement + 0.005 lbs/sack Static Free + 0.7% bwoc FL-52 + 0.15% bwoc ASA-301 + 0.005 gps FP-6L   |
| Stage 2 Tail | 100            | 4243'      | 25         | 15.6 | 1.18                | 118                       | Premium Plus H + 0.005lbs/sack staticfree+2% bwow Sodium Chloride + 0.5% bwoc CD-32+0.6% bwoc FL-62 +0.005 gps FP-6L+0.4% bwoc sodium metasilicate  |
| Stage 3 Lead | 260            | 2982'      | 25         | 11.9 | 2.45                | 637                       | 50:50 Poz Fly ash: premium plus c cement + 0.005 lbs/sack static free + 5% bwow sodium chloride + 5% bwoc LCM-1+3% bwoc FL-52+0.005 gps FP-6L+3% bwoc sodium metasilicate + 10% bwoc bentonite II |
| Stage 3 Tail | 100            | 818'       | 35         | 14.8 | 1.34                | 134                       | Premium plus C cement + 0.005 lbs/sack static Free +1.5% bwoc calcium chloride + 0.005 gps FP-6L  |

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The contingency ECP/DVT tool setting depth may change and cement will be adjusted accordingly.

#### 10. Type and Characteristics of Mud System:

| Depth MD/TVD (ft) | Mud Type   | Mud Density (ppg) | Viscosity (sec/1000cc) | Plastic Viscosity (cP) | Yield Point (lb/100ft <sup>2</sup> ) | API Fluid Loss (cc) | pH         | LGS % |
|-------------------|--|-------------------|------------------------|------------------------|--------------------------------------|---------------------|------------|-------|
| 120 – 450         | New Gel/Soda Spud Mud                            | 8.8 – 9.2         | 60 – 70                | 12 – 28                | 12 – 34                              | 20                  | +/-9.0     | <6    |
| 450 – 2,900       | Brine Water                                      | 10.0 – 10.1       | 29 – 30                | 0 – 1                  | 0 – 1                                | NC                  | 9.5 – 10.0 | <6    |
| 2,900 – 5,100     | Existing Brine to New Zan D/White Starch/ Barite | 10.0-10.1         | 29 – 30                | 0 – 1                  | 0 – 1                                | NC                  | 9.5 – 10.0 | <6    |
| 5,100 – 14,300    |  | 10.1 – 11.5       | 36 – 44                | 6 – 14                 | 12 – 18                              | 10 – 12             | 9.5 – 10.0 | <6    |
| 14,300- 16,000    | Cut brine  | 8.4 - 8.9         | 28 - 30                | 0 - 1                  | 0 - 1                                | NC                  | 9. – 9.5   | <6    |

Our goal for all DVT and ECP is to run with full intentions of running the 2 stage job. This will help insure good tail cement and help insure cement to surface.

11. **Air Drilling Description:** Not applicable.
12. **Testing, Coring, and Logging Procedures:**
- A. Mud logging program: 2 man unit from 2,900' (setting depth of salt string) to TD.
  - B. Electric logging program: open hole logs CNL / LDT / CAL / GR, DLL / SGR (CNL/GR from base of Intermediate casing to surface) from 14300 to Intermediate casing and TD-14300  
*Cased Hole Logs*  
CBL w/ CCL from base of Intermediate casing to surface (if cement is not circulated to surface)  
CBL w/ CCL from production casing DV tool at 8,000' to 3,000' (estimated top of cement at 4,000')
  - C. No DST's or cores are planned
  - D. Sonic log: not required but available if needed
13. **Expected Bottom Hole Pressure and Temperature:** 6,440 psi , 170° F.
14. **Abnormal Conditions:** Expecting a loss circulation zone in Capitan Reef.
15. **H<sub>2</sub>S Plan:** Breathing equipment will be available on location. If H<sub>2</sub>S is encountered the operator will comply with the Onshore Oil and Gas Order No. 6. The H<sub>2</sub>S measured amounts and formation will be reported to the BLM. Please see the attached H<sub>2</sub>S Plan and the H<sub>2</sub>S awareness map.
16. **Directional or Horizontal Survey:** The well is neither directional nor horizontal.
17. **Unit Well Current Unit POD:** The well is not in a unit or current unit POD.
18. **Work Schedule:** To be determined.
19. **Completion plans:** MIRU well service unit. PU 2 7/8" PH-6 workstring. TIH, release retrievable bridge plug and pull out of hole. Pick up treating packer. TIH to 14,250' and set. Test back side to 1000 psi. Acidize down tubing with five stages – 8000 gallons 15% HCL each stage followed by 1500 lbs of rock salt each stage. Release packer and pull out of hole. Trip in hole with tubing with notched collar. Circulate clean to TD. Pull out of the hole and pick up 7" Arrow Set 1X packer. Trip in the hole to 14,250'. Set blanking plug and on/off tool. Release packer and pull out of hole, laying down 2 7/8" work string. Pick up 4 1/2" lined injection tubing. Trip in hole and get on on/off tool. Release packer. Space out. Reset packer. Release on/off tool again. Circulate packer fluid. Get back on on/off tool. Nipple down BOP and nipple up well head. Schedule and perform MIT on tubing casing annulus per OCD and BLM guidelines. Turn well over to R360 for plumbing up surface facilities.

**ATTACHMENT IV**

**The permit application is NOT an expansion of an existing project**

**ATTACHMENT V**  
**Well and Lease Maps**

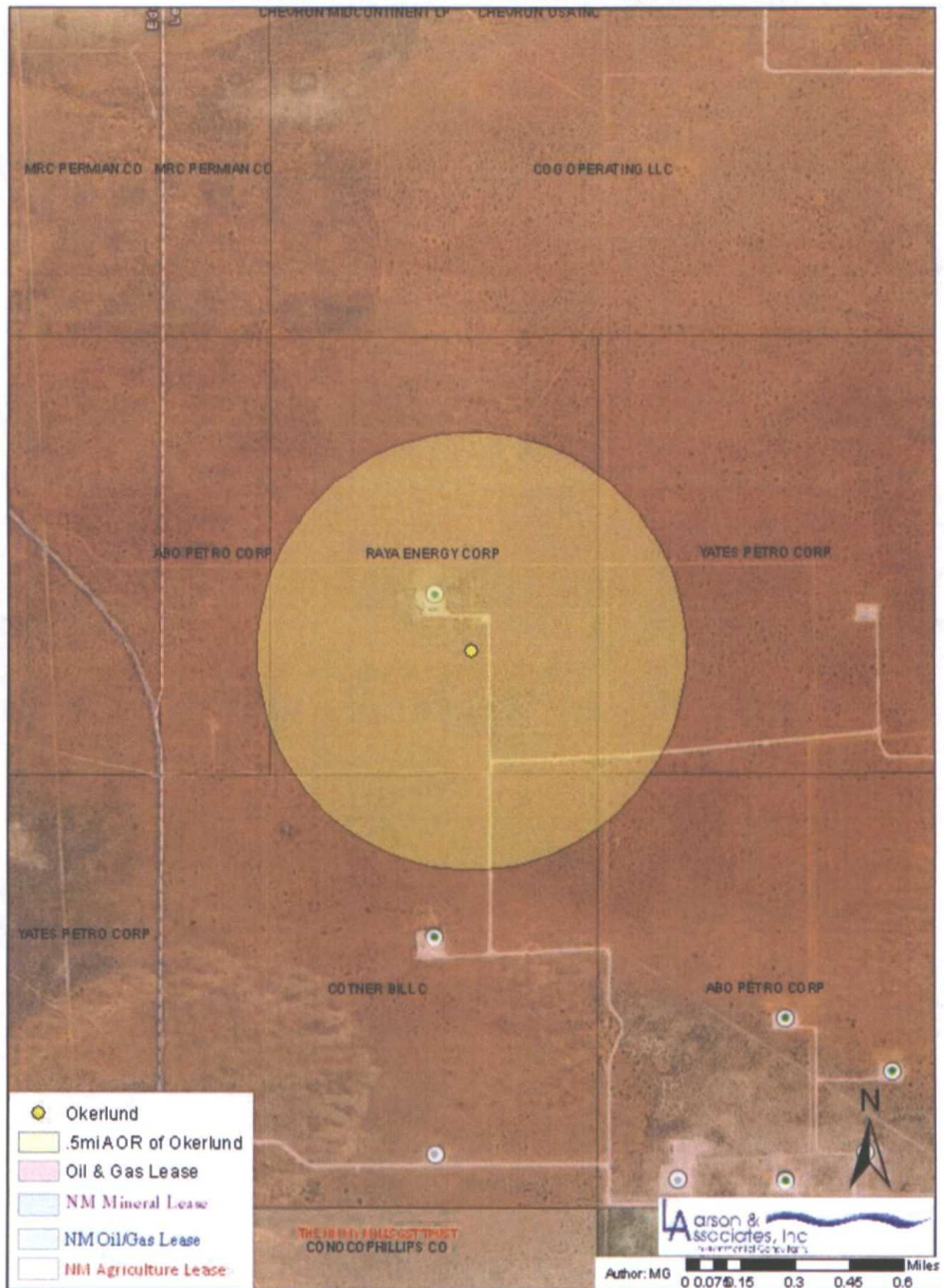
This map displays the Okerlund area, highlighting various land ownership and lease types. A yellow dot marks the Okerlund location. A large blue shaded region indicates the 2mi Buffer of Okerlund. The map includes numerous labels for landowners and lessors, such as CHEVRON USA INC, YATES PETROLEUM CORPORATION, DEVON ENERGY PROD CO LP, and MRC PERMIAN CO. A legend in the bottom left corner defines the symbols used: a yellow dot for Okerlund, a blue shaded area for the 2mi Buffer of Okerlund, a pink rectangle for Oil & Gas Lease, a light blue rectangle for NM Mineral Lease, a green rectangle for NM Oil/Gas Lease, and a white rectangle for NM Agriculture Lease. A scale bar at the bottom right shows distances from 0 to 1.2 miles, and a north arrow is also present.

**TABLE OF ACTIVE WELLS/ OPERATORS WITHIN TWO MILES OF THE PROPOSED OKERLUND SWD #1**

| <b>R360 Permian Basin, LLC</b> |                             |                          |               |               |                           |                         |                    |
|--------------------------------|-----------------------------|--------------------------|---------------|---------------|---------------------------|-------------------------|--------------------|
| <b>API #</b>                   | <b>Operator</b>             | <b>Lease</b>             | <b>Well #</b> | <b>County</b> | <b>Legal</b>              | <b>Total depth (ft)</b> | <b>Well Status</b> |
| 30-025-27151                   | BOPCO, L.P.                 | CA LOOMIS FEDERAL        | 1             | LEA           | S:5,T:21S,R:32E, UNIT D   | 14131                   | Active GAS         |
| 30-025-25534                   | XTO ENERGY, INC.            | NEW MEXICO E FEDERAL COM | 1             | LEA           | S:5,T:21S,R:32E, UNIT P   | 14348                   | Active GAS         |
| 30-025-25976                   | SAMSON RESOURCES CO         | NEW MEXICO F FEDERAL COM | 1             | LEA           | S:5,T:21S,R:32E, UNIT K   | 14080                   | PLUGGED            |
| 30-025-26610                   | COG OPERATING LLC           | NEW MEXICO G FEDERAL COM | 1             | LEA           | S:6,T:21S,R:32E, UNIT I   | 14250                   | Active GAS         |
| 30-025-27492                   | CHEVRON MIDCONTINENT, L.P.  | SALT LAKE SOUTH DEEP     | 1             | LEA           | S:6,T:21S,R:32E, UNIT A   | 14510                   | Active GAS         |
| 30-025-27603                   | CONOCOPHILLIPS COMPANY      | NORTH BILBREY 7 FEDERAL  | 1             | LEA           | S:7, T:21S, R:32E, UNIT J | 14320                   | Active GAS         |
| 30-025-31412                   | YATES PETROLEUM CORPORATION | UNION AJS FEDERAL        | 1             | LEA           | S:8,T:21S,R:32E, UNIT J   | 8610                    | Active SWD         |
| 30-025-39529                   | YATES PETROLEUM CORPORATION | CAPELLA BOP FEDERAL      | 2H            | LEA           | S:8,T:21S,R:32E, UNIT P   | 12915                   | Active OIL         |
| 30-025-39528                   | YATES PETROLEUM CORPORATION | CAPELLA BOP FEDERAL      | 1             | LEA           | S:9,T:21S,R:32E, UNIT M   | 8765                    | Active OIL         |
| 30-025-31362                   | YATES PETROLEUM CORPORATION | JOY AJO STATE            | 1             | LEA           | S:16,T:21S,R:32E, UNIT D  | 55                      | PLUGGED            |
| 30-025-38906                   | CHEVRON U S A INC           | LOST TANK 16 STATE       | 1             | LEA           | S:16,T:21S,R:32E, UNIT M  | 8700                    | Active OIL         |
| 30-025-38907                   | CHEVRON U S A INC           | LOST TANK 16 STATE       | 4             | LEA           | S:16,T:21S,R:32E, UNIT D  | 8700                    | Active OIL         |
| 30-025-37449                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 4             | LEA           | S:17,T:21S,R:32E, UNIT P  | 8650                    | Active OIL         |
| 30-025-37448                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 5             | LEA           | S:17,T:21S,R:32E, UNIT J  | 8650                    | Active OIL         |
| 30-025-36954                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 1             | LEA           | S:17,T:21S,R:32E, UNIT O  | 8600                    | Active OIL         |
| 30-025-38091                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 6H            | LEA           | S:17,T:21S,R:32E, UNIT A  | 11603                   | Active OIL         |
| 30-025-37450                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 3             | LEA           | S:17,T:21S,R:32E, UNIT N  | 8650                    | Active OIL         |
| 30-025-41659                   | YATES PETROLEUM CORPORATION | CAPELLA BOP FEDERAL      | 6H            | LEA           | S:17,T:21S,R:32E, UNIT K  |                         | PERMIT             |
| 30-025-37439                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 2             | LEA           | S:17,T:21S,R:32E, UNIT K  | 10600                   | Active OIL         |
| 30-025-41496                   | MANZANO LLC                 | LITTLE VALLEY FEDERAL    | 1H            | LEA           | S:17,T:21S,R:32E, UNIT M  | 8301                    | Active OIL         |
| 30-025-38101                   | YATES PETROLEUM CORPORATION | CAPER BFE FEDERAL        | 16H           | LEA           | S:17,T:21S,R:32E, UNIT M  | 12800                   | Active OIL         |
| 30-025-27373                   | MEADCO PROPERTIES LTD       | NORTH BILBREY 18 FEDERAL | 1             | LEA           | S:18,T:21S,R:32E, UNIT G  | 14523                   | Active GAS         |
| 30-025-31518                   | COLLINS & WARE INC          | FEDERAL NL               | 2             | LEA           | S:18,T:21S,R:32E, UNIT O  | 8475                    | PLUGGED            |



## .5 mile AOR of Okerlund SWD



| TABLE OF ACTIVE WELLS/ OPERATORS WITHIN THE AREA OF REVIEW OF THE PROPOSED OKERLUND SWD #1 |                        |                         |        |        |                           |                  |             |
|--|------------------------|-------------------------|--------|--------|---------------------------|------------------|-------------|
| R360 Permian Basin, LLC  |                        |                         |        |        |                           |                  |             |
| API #  | Operator               | Lease                   | Well # | County | Legal                     | Total depth (ft) | Well Status |
| 30-025-27603   | CONOCOPHILLIPS COMPANY | NORTH BILBREY 7 FEDERAL | 1      | LEA    | S:7, T:21S, R:32E, UNIT J | 14320            | Active GAS  |

**JACK C. MAGEE**  
*Independent Petroleum Landman*  
**8805 ECR 103**  
**Midland, Texas 79706**

605-28-1895 cell

mageclaw@midconetwork.com

June 8, 2015

Mark Larson  
Larson & Associates, Inc.  
507 N. Marienfeld, Suite 200  
Midland, TX 79702

Re: Okerlund SWD #1  
Section 7, T21S-R32E  
Lea County, NM

Dear Mr. Larson:

You asked for an Report of "owners" within ½ mile of your proposed Okerlund SWD #1 disposal well being permitted in the captioned Section 7.

In this connection I researched the abstract tract records of Caprock Title Company in Midland, Texas; examined the abstract of title prepared by Schutz Abstract and the public website records of the Bureau of Land Management (BLM); the public website of the New Mexico Oil Conservation Commission (NMOCD); the public website of the State of New Mexico Land System; and the Lea County, NM Tax Assessor's public website..

Based on the material examined, I am attaching a Report of the surface owners and "affected persons" being any unleased mineral owner, or Lessee if not producing, or Operator if producing. I am also attaching copies of relevant information used in preparing the Report.

I also wish to bring to your attention that some of the Lessees named in my Report may not be current due to the lack of updated information being filed of record either with the BLM or in the county records and no attempt has been made to independently tract down the heirs or devisees of any person shown of record.

Thank you and please do not hesitate to call should you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack C. Magee", is written over a printed name. The signature is stylized with a large, sweeping loop and a horizontal line extending to the right.

Jack C. Magee

Encl.

|  |
|--|
| <p align="center"><b>OKERLUND SWD #1: OWNERS WITHIN 1/2 MILE RADIUS<br/>LEA COUNTY, NM</b></p> |
|--|

**Section 7, Township 21 South, Range 32 East, NMPM**

**Surface Owners**

**All**

United States Dept of the Interior  
Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, NM 88220

**Oil & Gas Lessees/Operators**

**E/2 & E/2 W/2 - from the surface to 14,420'**

Lease: NM 22809 dated 8/12/1974 which Lease was  
segregated from Lease: NM 14328.

**Operator**  
ConocoPhillips Co.  
600 North Dairy Ashford  
Houston, TX 77079

**E/2 & E/2 W/2 - 14,420' and below**

Lease: NM 22809 dated 8/12/1974 which Lease was  
segregated from Lease: NM 14328.

**Lessee(s)**

Raya Energy Corp  
308 Creek Ridge Lane  
Round Rock, TX 78664

**Lots 2-4**

Lease: NM 64505 issued 2/1/1986, suspended effective  
6/1/1995.

**Lessee(s)**

ABO Petroelum Corp.  
105 South 4th Street  
Artesia, NM 88210

Myco Industries, Inc.  
105 South 4th Street  
Artesia, NM 88210

OXY Y-1 Company  
P.O. Box 27570  
Houston, TX 77227

Yates Petroleum Corp.  
105 South 4th Street  
Artesia, NM 88210

**Potash Lessees**

Section 7 is within the federally  
"Designated Potash Area".

Note:

**All**

---

No current Potash lease found of record.

1. A suspension of operations and production was granted for Lease NM 64505, effective 6/1/1995, due to potash. The suspension shall remain in effect for an indefinite term until it is no longer necessary for the conservation of potash.

**Section 8, Township 21 South, Range 32 East, NMPM**

**Surface Owners**

**All**

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United States Dept of the Interior  
Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, NM 88220

**Oil & Gas Lessees/Operators**

**All**

---

Lease: NM 121957 issued 5/1/2009

**Operator**  
Yates Petroleum Corp.  
Carlsbad Field Office  
105 South 4th Street  
Artesia, NM 88210

**Potash Lessees**

**All**

---

Section 8 is within the federally  
"Designated Potash Area".

"No current Potash lease found of record."

**Section 17, Township 21 South, Range 32 East, NMPM**

**Surface Owners**

**All**

---

United States Dept of the Interior  
Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, NM 88220

**Oil & Gas Lessees/Operators**

**All**

---

Lease NM 94095 issued 12/1/1994

**Operator**

Yates Petroleum Corp.  
105 South 4th Street  
Artesia, NM 88210

**Potash Lessees**

**All**

---

Section 17 is within the federally  
"Designated Potash Area".

No current Potash lease found of record.



**Section 18, Township 21 South, Range 32 East, NMPPM**

**Surface Owners**

**NE/4 NW/4, N/2 NE/4**

---

United States Dept of the Interior  
Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, NM 88220

**Oil & Gas Lessees/Operators**

**NE/4 NW/4, N/2 NE/4**

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Lease NM 14328 issued 9/1/1971

**Operator: North Bilbrey 18 Federal Well**  
Bill Cotner, dba Meadco Properties, LTD  
P.O. Box 2236  
Midland, TX 79702-2236

**Operating Rights Owners**  
Bill Cotner, dba Meadco Properties, LTD  
P.O. Box 2236  
Midland, TX 79702-2236

ConocoPhillips Co.  
600 North Dairy Ashford  
Houston, TX 77079

Khody Land and Minerals Company  
210 Park Avenue  
Suite 900  
Oklahoma City, OK 73102

Hayes Land, LP  
3300 N A St # 1-220  
Midland, TX 79705

**Potash Lessees**

**NE/4 NW/4, N/2 NE/4**

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Section 18 is within the federally  
"Designated Potash Area".

No current Potash lease found of record.

# SCHUTZ ABSTRACT CO., INC.

P.O. BOX 973

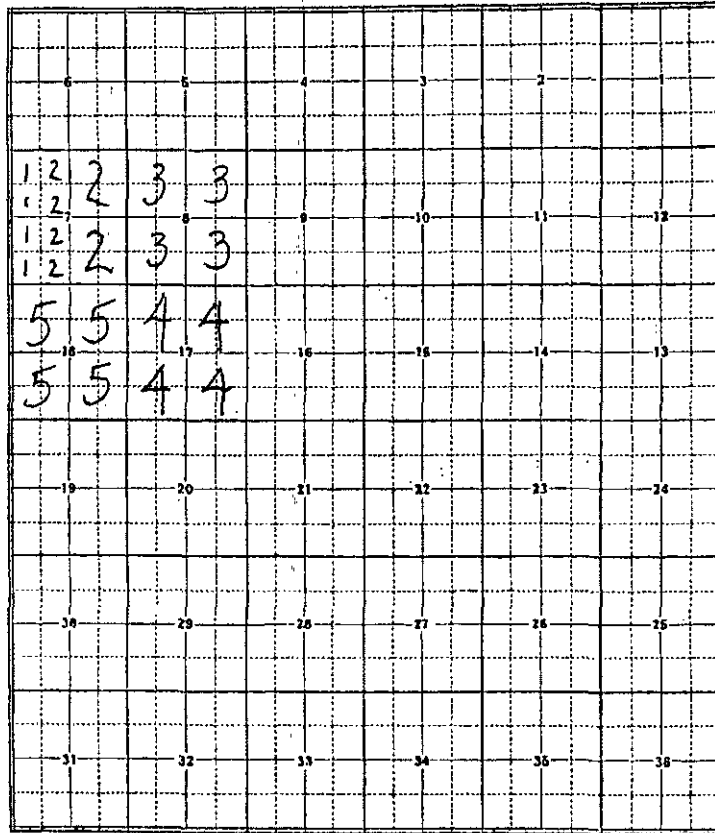
(505) 982-0130

SANTA FE, NEW MEXICO 87504

T. 21 South R. 32 East

Lea County

6/5/15



RED - STATE LAND  
BLUE - FEE LAND

1. NM 64505

2. NM 22809

3. NM 121957

4. NM 94095

5. NM 14328

Original Record

JUN 05 1985

NM 64505

T.21 South - R.32 East  
Section 07: Lots 1-4

Suspended  
02/01/86

Lessee :

ABO Petroleum Corp. 32%  
105 S. 4th St.  
Artesia, NM 88210

Myco Industries Inc. 32%  
105 S. 4th St.  
Artesia, NM 88210

OXY Y-1 Company 32%  
P.O. Box 27570  
Houston, TX 77227

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

RUN SHEET:

Lease NM 64505 issued 2/1/86 to Kathy Cramer Okerlund for ten years with  
12.5% royalty to the USA.

Assign. of record title dated 5/10/88 from Kathy Cramer Okerlund and B.J.  
Okerlund to Cramer Oil Co. 100% as to all lands, no overriding royalty  
reserved.

Assign. of record title dated 3/28/91 from Cramer Oil Co. to Yates  
Petroleum Corp. 4%, ABO Petroleum Corp. 32%, Yates Drilling Co. 32%, and  
Myco Industries Inc. 32% as to all lands, reserving 5% overriding royalty.

A suspension of operations & production was granted effective 6/1/95, due  
to potash. This suspension shall remain in effect for an indefinite term  
until it is no longer necessary for the conservation of potash ore.

Yates Drilling Co. changed its name to OXY Y-1 Company.

OPERATING RIGHTS:

Lessees 100%

OVERRIDING ROYALTY:

Cramer Oil Co. 5%  
410 17th St., Ste. 1340  
Denver, CO 80202

12.5% Royalty to U.S.A

Notes:

JUNE 5 1985

NM 22809  
out of NM 14328

T.21 South - R.32 East  
Section 07:E2,E2W2

L-H.B.P.  
09/01/71

Lessee :

Raya Energy Corp.  
308 Creek Ridge Ln.  
Round Rock, TX 78664

RUN SHEET:

Lease NM 14328 issued 9/1/71 to Clem L. Ware for 10 years with 12.5% royalty to the USA.

Assign. of record title dated 4/1/72 from Clem L. Ware to Fluor Corp. 100%, reserving 1% overriding royalty.

Assign. of record title dated 5/1/73 from Fluor Corp. to Fluor Minerals, Inc. 100% as to all lands.

Decision of 8/12/74 segregated sec. 7: E2,E2W2 into NM 22809 because this land is not committed to the Salt Lake South unit.

Getty Oil Co.'s North Bilbery Federal No. 1 well was completed 3/16/82.

Assign. of operating rights dated 4/5/82 from Fluor Oil & Gas Corp. to Getty Oil Co. sec. 7: E2,E2W2 from the surface to 14,420' 50%.

Assign. of oper. rights dated 7/17/85 from Getty Oil Co. to Texaco Producing Inc. 50% as to sec. 7: E2,E2W2 from the surface to 14,420'.

Assign. of oper. rights dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels, Inc. sec. 7: E2,E2W2 from the surface to 14,420' 50%, below 14,420' 100%.

Assign. of record title dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels Inc. 100% as to all lands.

Frontier Fuels Inc. merged into Primary Fuels, Inc.

Assign. of record title dated 7/21/89 from Primary Fuels Inc. to Geodyne Nominee Corp. 100% as to all lands.

Assign. of oper. rights dated 7/21/89 from Primary Fuels Inc. to Geodyne Nominee Corp. 50% as to sec. 7: E2,E2W2 from the surface to 14,420' and 100% below 14,420'.

Texaco Producing Inc. changed its name to Texaco Exploration & Prod. Inc.

Assign. of oper. rights dated 5/6/02 from Texaco Exploration & Prod. Inc. to Chevron USA Inc. all of assignor's interest as to lease NM 22809.

Assign. of oper. rights dated 8/16/04 from Chevron USA Inc. to XTO Energy Inc. 50% as to sec. 7: E2W2,E2 from the surface to 14,420'.

Assign. of oper. rights dated 3/1/05 from XTO Energy Inc. to ConocoPhillips Co. 50% as to sec. 7: E2W2,E2 from the surface to 14,420'.

Assign. of record title dated 10/31/06 from Geodyne Nominee Corp. to Raya Energy Corp. 100% as to all lands.

Assign. of oper. rights dated 10/31/06 from Geodyne Nominee Corp. to Raya Energy Corp. 50% as to all lands from the surface to 14,420', 100% as to all depths below 14,420'.

OPERATING RIGHTS:

From the surface to 14,420':

|        |     |
|--------|-----|
| Lessee | 50% |
|--------|-----|

|                      |     |
|----------------------|-----|
| ConocoPhillips Co.   | 50% |
| 600 N. Dairy Ashford |     |
| Houston, TX 77079    |     |

Below 14,420':

|        |      |
|--------|------|
| Lessee | 100% |
|--------|------|

OVERRIDING ROYALTY:

|                               |    |
|-------------------------------|----|
| Clem L. Ware                  | 1% |
| 1603 N. Midkiff Rd., Apt. 231 |    |
| Midland, TX 79701             |    |

12.5% Royalty to U.S.A

Notes:

JUN 5 2015

NM 121957                      T.21 South - R.32 East                      L-H.B.P  
                                    Section 08:ALL                      5/1/2009

Lessee :

ABO Petroleum Corp.                      20%  
105 S. 4th St.  
Artesia, NM 88210

Myco Industries Inc.                      20%  
105 S. 4th St.  
Artesia, NM 88210

OXY Y-1 Company                      20%  
P.O. Box 27570  
Houston, TX 77227

Yates Petroleum Corp.                      40%  
105 S. 4th St.  
Artesia, NM 88210

RUN SHEET:

Competitive lease NM 121957 issued 5/1/09 to ABO Petroleum Corp. 20%, Myco Industries Inc. 20%, Yates Drilling Co. 20% and Yates Petroleum Corp. 40% for 10 yrs. with 12.5% royalty to the USA.

The case abstract shows the lease is held by production-actual on 12/25/09, but the memo is not in the lease file. There is also a notation of 1st production actual on the case abstract on 3/2/2010.

Yates Drilling Co. changed its name to OXY Y-1 Company.

Assign. of oper. rights dated 8/3/2012 from ABO Petroleum Corp. to Yates Petroleum Corp. 10% as to sec. 8: E2E2, no depth specified, reserving 7.5% proportionately reduced.

OPERATING RIGHTS:

Sec. 8: W2E2,W2

Lessees                      100%

Sec. 8: E2E2:

ABO Petroleum Corp.                      10%

Myco Industries Inc.                      20%

OXY Y-1 Company                      20%

Yates Petroleum Corp.                      50%

OVERRIDING ROYALTY:

Sec. 8: E2E2:  
ABO Petroleum Corp.                      10% of 7.5%

12.5 % ROYALTY TO THE USA

Notes:

JUN 05 2005

NM 94095

T.21 South - R.32 East  
Section 17:All

L-H.B.P  
12/1/94

Lessee :

|  |     |
|--|-----|
| Yates Petroleum Corp.<br>105 S. 4th St.<br>Artesia, NM 88210 | 4%  |
| ABO Petroleum Corp.<br>105 S. 4th St.<br>Artesia, NM 88210   | 32% |
| OXY Y-1 Co.<br>P.O. Box 27570<br>Houston, TX 77227           | 32% |
| Sharbro Energy LLC<br>P.O. Box 840<br>Artesia, NM 88210      | 24% |
| Yates Industries LLC<br>P.O. Box 1091<br>Artesia, NM 88210   | 8%  |

RUN SHEET:

Competitive lease NM 94095 issued 12/1/94 for 10 years to Yates Petroleum Corp. 4%, Yates Drilling Co. 32%, ABO Petroleum Corp. 32% and Myco Industries Inc. 32% with 12.5% royalty to the USA.

Decision of 1/24/05 extended the lease for 2 yrs. through 11/30/06 and as long as oil or gas is produced in paying quantities.

Assign. of record title dated 12/2/04 from Myco Industries Inc. to Sharbro Oil Ltd. Co. 32% as to all lands.

Yates Petroleum corp. #1 Caper BFE Federal was completed 4/2/05 on sec. 17 660'S & 1980'E.

Assign. of oper. rights dated 6/1/10 from Yates Drilling Co. 12%, ABO Petroleum Corp. 12% and Sharbro Oil Ltd. Co. 12% to Yates Petroleum Corp. as to sec. 17: E2NE, NESE, each reserving .9% ORRI.

Assign. of oper. rights dated 6/17/10 from Yates Drilling Co. 12%, ABO Petroleum Corp. 12%, Sharbro Oil Ltd. Co. 12% to Yates Petroleum Corp. as to sec. 17: W2W2, reserving .9% ORRI each.

Yates Drilling Co. changed its name to OXY Y-1 Company.

Assign. of record title dated 12/19/11 from Sharbro Oil Ltd. Co. to Sharbro Energy LLC 75%, Yates Industries LLC 25% as to sec. 17: All, 32% interest.

OPERATING RIGHTS:

Sec. 17: E2NE, NESE, W2W2:

|                       |     |
|-----------------------|-----|
| Yates Petroleum Corp. | 40% |
|-----------------------|-----|



|                      |     |
|----------------------|-----|
| OXY Y-1 Company      | 20% |
| ABO Petroleum Corp.  | 20% |
| Sharbro Energy LLC   | 15% |
| Yates Industries LLC | 5%  |

Sec. 17: SESE, W2E2, E2W2:

|         |      |
|---------|------|
| Lessees | 100% |
|---------|------|

OVERRIDING ROYALTY:

Sec. 17: W2W2, E2NE, NESE:

|                      |       |
|----------------------|-------|
| OXY Y-1 Company      | .9%   |
| ABO Petroleum Corp.  | .9%   |
| Sharbro Energy LLC   | .675% |
| Yates Industries LLC | .225% |

12.5% Royalty to U.S.A

Notes:

Plat 22809

JUN 5 1975

NM 14328

T.21 South - R.32 East  
Section 18: Lots 1-4, E2, E2W2

L-H.B.P.  
09/01/71

Lessee :

Bill Cotner, d/b/a Meadco Properties Ltd.  
P.O. Box 2236  
Midland, TX 79702

RUN SHEET:

Lease NM 14328 issued 9/1/71 to Clem L. Ware for 10 years with 12.5% royalty to the USA.

Assign. of record title dated 4/1/72 from Clem L. Ware to Fluor Corp. 100%, reserving 1% overriding royalty.

Assign. of record title dated 5/1/73 from Fluor Corp. to Fluor Minerals, Inc. 100% as to all lands.

Decision of 8/12/74 segregated sec. 7: E2, E2W2 into NM 22809 because this land is not committed to the Salt Lake South unit.

Decision of 8/19/75 extended this lease for two years from 6/18/75 due to the termination of the Salt Lake South unit.

Fluor Minerals, Inc. changed its name to Fluor Oil & Gas Corp.

Decision of 10/9/81 extended this lease to 8/31/83.

Assign. of working interest and operating rights dated 8/14/81 from Fluor Oil and Gas Corp. to Getty Oil Co. 1/2 interest as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412', reserving an overriding royalty of 1/16 of 8/8, relinquishing its 1/2 working interest until 100% of the costs are recovered. After payout, the production shall be owned Getty Oil Co. 1/2, Fluor Oil & Gas Corp. 1/2. In the event of assignor's election to terminate the overriding royalty, the interest hereby relinquished by assignor shall revert to assignor.

Assign. of oper. rights dated 7/17/85 from Getty Oil Co. to Texaco Producing Inc. 50% as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412'.

Assign. of oper. rights dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels, Inc. sec. 17: All, sec. 18: Lots 3, 4, E2SW, SE from the surface to 14,412' 50%, sec. 18: Lots 1, 2, E2NW, NE from the surface to 14,412' -0-, all depths below 14,412' as to all lands 100%.

Assign. of record title dated 10/31/85 from Fluor Oil & Gas Corp. to Frontier Fuels, Inc. 100% as to all lands.

Frontier Fuels Inc. merged into Primary Fuels, Inc.

Assign. of oper. rights dated 6/22/89 from Texaco Producing Inc. to M. Brad Bennett, Inc. 50% as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412'.

Assign. of oper. rights dated 6/28/89 from M. Brad Bennett Inc. to Hayes Partners I as to sec. 17: All, sec. 18: Lots 1-4, E2, E2W2 from the surface to 14,412' 50%.

Assign. of oper. rights dated 7/21/89 from Primary Fuels, Inc. to Geodyne Nominee Corp. sec. 17: All, sec. 18: Lots 3,4,E2SW,SE from the surface to 14,412' 50%, sec. 18: Lots 1,2,E2NW,NE from the surface to 14,412' -0-, all lands below 14,412' 100%.

Assign. of record title dated 7/21/89 from Primary Fuels Inc. to Geodyne Nominee Corp. 100% as to all lands.

Assign. of oper. rights dated 3/1/91 from Hayes Partners I to Hayes Properties Inc. 50% as to sec. 17: All, sec. 18: Lots 1-4,E2,E2W2 from the surface to 14,412'.

Assign. of overriding royalty dated 7/5/91 from Hayes Properties Inc. to L. Shane Stokes 11.5% as to sec. 17: All from the surface to 14,412'.

Assign. of oper. rights dated 8/15/91 from Hayes Properties Inc. to Collins & Ware, Inc. 50% as to sec. 17: All from the surface to 14,412'.

Decision of 11/5/93 gave new serial # NM 92115 to sec. 17: All because this land was partially assigned out of NM 14328.

Assign. of oper. rights dated 12/3/91 from Hayes Properties Inc. to Collins & Ware, Inc. as to sec. 18: Lots 1,2, E2NW,NWNE,E2NE from the surface to the top of the Bone Springs formation 50%. The assignment shows 100% owned, 50% conveyed, 50% retained. Assignor only appeared to own 50%.

Assign. of oper. rights dated 6/17/92 from Collins & Ware Inc. to Phillips Petroleum Co. 33.33% as to sec. 18: Lots 1,2,E2NW,NWNE,E2NE from the surface to the top of the Bone Springs formation.

Assign. of oper. rights dated 12/29/94 from Collins & Ware Inc. to Louis Dreyfus Natural Gas Corp. 16.67% as to sec.18: Lots 1,2,E2NW,NWNE,E2NE from the surface to the top of the Bone Springs formation.

Assign. of oper. rights dated 1/19/00 from Hayes Properties Inc. to Hayes Land Corp. 50% as to sec. 18: Lots 3,4,E2SW,SE surface to 14,412', 50% as to sec. 18: Lots 1,2,E2NW,NWNE,E2NE from the top of the Bone Springs to 14,412', 50% as to sec. 18: SWNE from the surface to 14412'.

Louis Dreyfus Nat. Gas Corp. merged into Dominion OK TX Exploration & Prod. Inc.

Phillips Oil Co. merged into ConocoPhillips Co.

Assign. of oper. rights dated 8/29/06 from Hayes Land, LP to Meadco Properties, Ltd. 7.5% as to sec. 18: Lots 1-4,E2,E2W2 from the surface to 14,412'. The assignor doesn't appear to own interest.

Assign. of oper. rights dated 11/2/06 from Dominion OK TX Exploration & Prod. Inc. to Lobos Energy Partners LLC all of grantor's interest as to all lands.

Lobos Energy Partners LLC merged into Khody Land & Minerals Co.

Assign. of oper. rights dated 12/29/06 from Hayes Land & Prod. LP to Meadco Properties Ltd. 7.5% as to sec. 18: Lots 1-4,E2,E2W2 surface to 14,412'. (The assignor didn't acquire interest until assignment of 8/2/07.)

Assign. of oper. rights dated 8/2/07 from Geodyne Nominee Corp. to Hayes Land & Prod. LP 50% as to sec. 18: Lots 3,4,E2SW,SE from the surface to 14,412', 100% all depths below 14,412', 100% as to sec. 18: Lots 1,2,E2NW,NE all depths below 14,412'.

Assign. of record title dated 8/2/07 from Geodyne Nominee Corp. to Hayes Land & Prod. LP 100% as to all lands.

Assign. of oper. rights dated 9/28/07 from Hayes Land & Prod. LP to Hayes Land LP 42.5% and David C. Cotner d/b/a Meadco Properties Ltd. 7.5% as to sec. 18: Lots 3,4,E2SW,SE from the surface to 14,412' 28.75% interest, all depths below 14,412' 57.5% interest, sec. 18: Lots 1,2,E2NW,NE all depths below 14,412' 57.5%.

Assign. of record title dated 9/28/07 from Hayes Land & Prod. LP to Bill C. Cotner d/b/a Meadco Properties Ltd. 100% as to all lands.

Yates Drilling Co. changed its name to OXY Y-1 Co.

Assign. of oper. rights dated 11/11/14 from Bill C. Cotner Family Properties, Ltd. 11.25% reserving 1.29375% ORRI, David C. Cotner 3.75%, reserving .43125% ORRI, Hayes Land & Prod. LP 42.5%, reserving 4.88750% ORRI, Hayes Land, LP 42.5%, reserving 4.8875% ORRI to Manzano, LLC (100%) as to sec. 18: Lot 3,N2SE,NESW between the surface and the base of the Delaware formation.

#### OPERATING RIGHTS:

We are unable to determine the ownership of operating rights due to discrepancies in the assignments filed of record at BLM. See the run sheet.

#### OVERRIDING ROYALTY:

Clem L. Ware  
1603 N. Midkiff Rd., Apt. 231  
Midland, TX 79701

1%

Assign. of working interest and operating rights dated 8/14/81 from Fluor Oil and Gas Corp. to Getty Oil Co. 1/2 interest as to sec. 18: Lots 1-4,E2,E2W2 from the surface to 14,412', reserving an overriding royalty of 1/16 of 8/8, relinquishing its 1/2 working interest until 100% of the costs are recovered. After payout, the production shall be owned Getty Oil Co. 1/2, Fluor Oil & Gas Corp. 1/2. In the event of assignor's election to terminate the overriding royalty, the interest hereby relinquished by assignor shall revert to assignor.

Assign. of oper. rights dated 11/11/14 from Bill C. Cotner Family Properties, Ltd. 11.25% reserving 1.29375% ORRI, David C. Cotner 3.75%, reserving .43125% ORRI, Hayes Land & Prod. LP 42.5%, reserving 4.88750% ORRI, Hayes Land, LP 42.5%, reserving 4.8875% ORRI to Manzano, LLC as to sec. 18: Lot 3,N2SE,NESW between the surface and the base of the Delaware formation.

12.5% Royalty to U.S.A

Notes:

**ATTACHMENT VI**

**No Wells Penetrate the Injection Zone within the AOR of the Proposed SWD  
Well**

## ATTACHMENT VII

### Operation Summary

Well: Okerlund SWD #1

Location: 1470' FSL and 1555' FEL

Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East,

Lea County, New Mexico

Injection Zone: Devonian

Well TD: 16,000'

#### Summary:

1. Proposed average daily injection rate is 16,000 bbl/day with maximum daily injection rate of 20,000 bbl/day
2. This will be a closed system
3. Proposed average injection pressure is 2,800 psi with maximum pressure of 2,800 psi
4. Source of injection fluid will be exempt liquid E & P waste
5. One gas well, North Bilbrey 7 Federal (30-025-27603), exists within ½ mile of the proposed well but does not penetrate the injection zone. Two wells penetrating the injection interval (Hat Mesa #1 and Audie Richards #1) were reviewed to evaluate the reservoir quality for the proposed injection interval. The Hat Mesa #1 well, drilled by Conoco Phillips Company, is located about 4.7 miles east of the proposed Okerlund SWD #1 well, in Unit G (SW/4, NE/4), Section 11, Township 21 South, Range 32 East, in Lea County, New Mexico. The Audie Richards #1 well, drilled by the Texas Company, is located approximately 3.9 miles north of the proposed Okerlund SWD #1 well, in Unit P (SE/4, SE/4), Section 25, Township 20 South, Range 32 East, in Lea County, New Mexico. The Audie Richards #1 well was drilled to 16,600 feet (TD) and encountered the Precambrian (granite) at 16,550. The Devonian section was found not to be productive of oil and gas.

## **ATTACHMENT VIII**

### **Geologic Summary**

Information on geological strata for this section was derived in part from a well (Audie Richards #1) that was drilled about 3.9 miles north of the proposed Okerlund SWD #1 in Unit P (SE/4, SE/4), Section 25, Township 20 South and Range 32 East (Nicholson and Clebsch, 1961). The well was drilled a total depth (TD) of 16,600 feet and encountered Precambrian (granite) at 16,550 feet. Figure 1 presents a type log based on rock descriptions from the Audie Richards #1 well.

The proposed SWD well is located in the Delaware Basin between the northwestern shelf and central basin platform of the Permian Basin. The area is underlain by a thin layer of Quaternary-age alluvium consisting of sand, silty sand and clay that rests directly on Triassic-age red bed (clay, mudstone, etc.) of the Dewey Lake formation.

The Triassic-age rocks are underlain by rocks of Permian-age that have a collective thickness of about 11,600 feet. The Permian formations include, in descending order, the Rustler, Salado, Castile, Artesia Group (Tansill and Yates formations), Capitan, Delaware Mountain Group (Bell Canyon, Cherry Canyon and Brushy Canyon formations), Bone Springs Limestone and Wolfcamp Shale. The Rustler formation occurs between about 350 and 550 feet and is composed chiefly of dolomite, dolomitic limestone, gypsum and mudstone.

The Salado and Castile formations are principally anhydrite, shale and limestone. The Salado formation contains economic deposits of potash and anhydrite and varies in thickness from about 1,500 to 2,000 feet. The Tansill and Yates formations are predominantly carbonates with some evaporates and a collective thickness between about 350 and 450 feet.

The Permian-age Capitan formation, also known as the Capitan aquifer, occurs below the Yates formation between approximately 3,500 and 5,000 feet. The formation developed around the margins of the Delaware Basin and is predominately limestone and dolomite.

The Delaware Mountain Group includes the Bell Canyon, Cherry Canyon and Brushy Canyon formations and underlies the Capitan formation. The Delaware Mountain Group occurs between approximately 5,000 to 8,000 feet and consists of a thick sequence of largely of deep marine sandstone interbedded with shale and limestone. Some oil and gas is produced from the Bell Canyon and Brushy Canyon formations.

The Bone Springs Limestone is comprised of thin beds of cherty black limestone and sandstone between approximately 1,500 to 2,500 feet thick. The Bone Springs occurs between approximately 8,000 and 10,500 feet near the Okerlund SWD. Oil and gas is produced from

several distinct intervals in the Bone Springs Limestone. The Wolfcamp Shale is the lowermost Permian-age formation and is composed of non-organic between approximately 10,500 and 12,000 feet. The Wolfcamp Shale marks the boundary between rocks of Permian and Pennsylvanian-age.

Rocks of Pennsylvanian age comprise a sequence of marine carbonates, shale and clastics with a combined thickness of about 775 feet between about 12,000 and 12,700 feet. The Strawn formation (Middle Pennsylvanian) occurs beneath the Wolfcamp Shale and is composed of about 300 feet of shale and sandstone, mudstone and conglomerate. The Atoka and Morrow formations, in descending order, occur beneath the Strawn formation and are about 475 and 650 feet thick, respectively. The Atoka formation is composed interbedded sandstone whereas the Morrow formation is composed of limestone in the upper part and clastics in the lower part.

Rocks of Mississippian age underlie the Morrow formation and are represented by the Barnett Shale and Mississippian Lime, in descending order, with a collective thickness of about 600 feet. The Mississippian-age rocks are underlain by the Upper Devonian-age Woodford Shale, which is approximately 175 feet thick and is composed predominately of black organic-rich marine shale, siltstone and sandstone. The Woodford Shale occurs above the Devonian section at about 14,000 feet. Rocks of Siluro-Devonian age underlie the Woodford Shale and are composed mainly of chert and cherty carbonate rocks. The Siluro-Devonian rocks occur between about 14,000 and 16,000 feet. The proposed depth of the proposed injection well is 16,000 feet with injection interval to be determined from field observations. The Siluro-Devonian rocks are underlain by Ordovician-age rocks represented by the Montoya, Simpson and Ellenberger formations, in descending order.

Figure 1: presents a type log based on a test well (Audie Richards #1) that was drilled to 16,600 feet (TD) and encountered Precambrian rock (granite) at 16,550 feet. The well was drilled about 3.9 miles north of the proposed Okerlund SWD #1 in Unit P (SE/4, SE/4), Section 25, Township 20 South and Range 32 East.

Figure 2 presents a detailed geological cross section of the injection zone. The geological cross section (A to A') was prepared based on rock descriptions from the Hat Mesa #1 located in Unit G (SW/4, NE/4), Section 11, Township 21 South, Range 32 East and Audie Richards #1, a distance of about 6 miles. The cross section transects the Capitan Reef from northwest to southeast. The cross section does not show any offsets that would suggest faulting is present. The cross section shows good correlation of the Siluro – Devonian contact and the potential injection zone.



#### References:

- Nicholson, A., Jr., and A. Clebsch, 1961, Geology and Ground-Water Conditions in Southern Lea County, New Mexico, Ground-Water Report 6: Socorro, NM. New Mexico State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining & Technology. p. 123

### **Groundwater Summary**

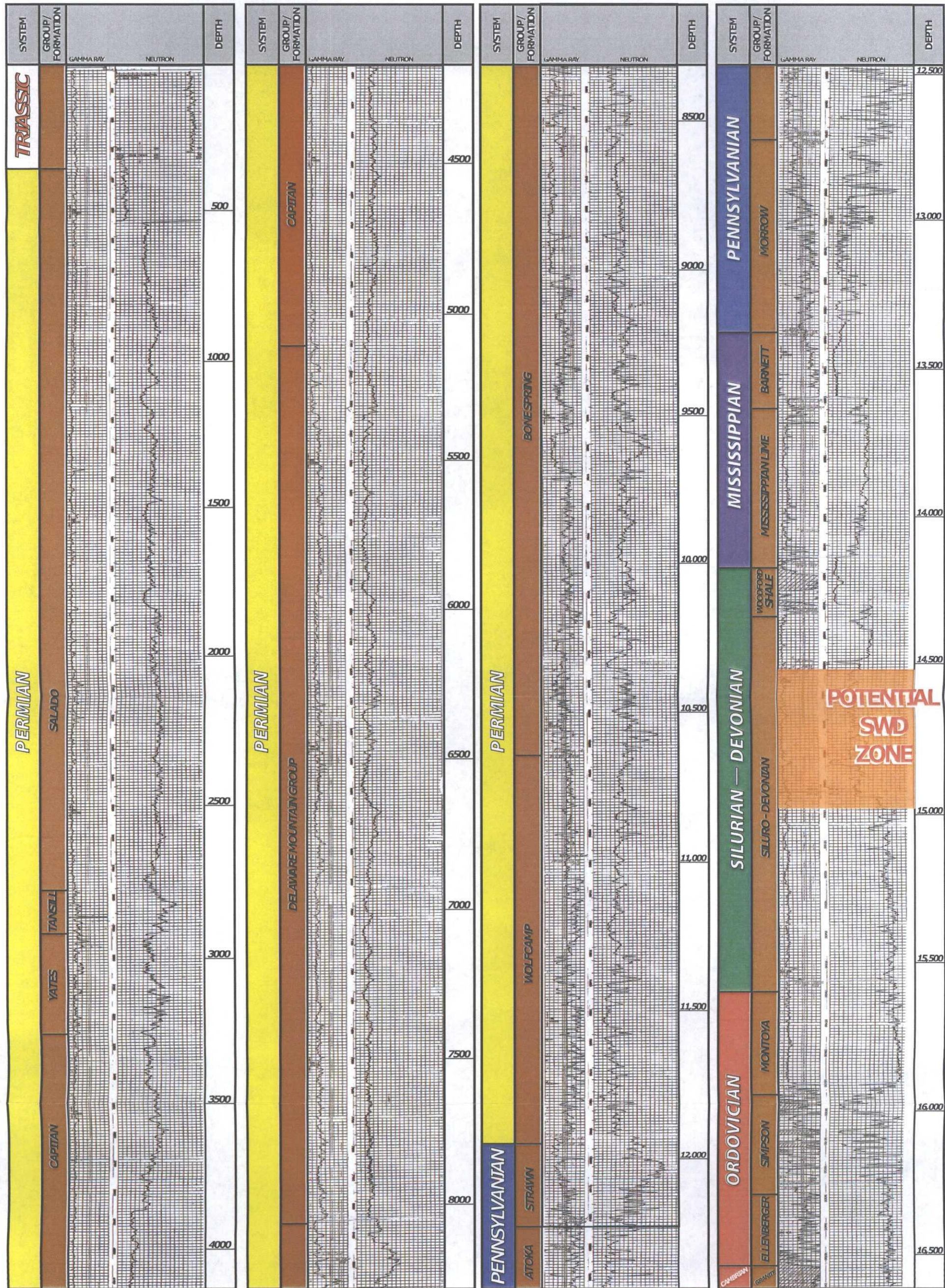
The Okerlund SWD #1 is located over the Capitan Reef, a geologic feature that developed around the margins of the Delaware Basin. Groundwater occurs in the Permian-age Rustler and Capitan formations. Groundwater in the Rustler formation occurs in dolomite beds in the upper part and gypsum beds near the base of the formation. Groundwater from the lower part of the Rustler formation is generally very saline to saturated brine. Groundwater occurs in limestone units in the Capitan formation. The Capitan aquifer is the principal water source for the City of Carlsbad, New Mexico. However, near the Okerlund SWD water quality is generally poor due to elevated levels of sodium, chloride and sulfate.

According to records from the New Mexico Office of the State Engineer, a well is located within 1-mile of the Okerlund SWD well. Further review indicates that the well is owned by the U.S. Department of Energy's Waste Isolation Pilot Plant (WIPP) and monitored by Sandia National Laboratories. The well is reported to be 1,352 feet deep. A request for information pertaining to well completion and water quality was not answered. A review of water well information by Geosearch found no other wells except the DOE monitoring well within 1 mile of the Okerlund SWD #1.

***Refer to attached figures and copy of Office of the State Engineer Well Inventory  
and Geosearch Water Well Report***



The Texas Company Audie Richards #1 Sec. 25, T-20-S, R-32-E  
Lea County, New Mexico



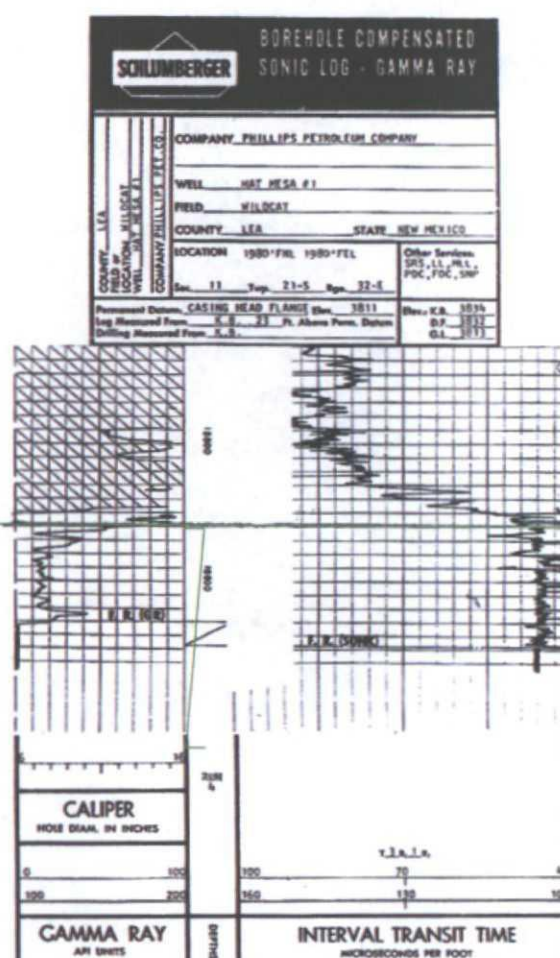
Larson & Associates, Inc.  
Environmental Consultants

Okerlund SWD Well #1  
Lea County, New Mexico

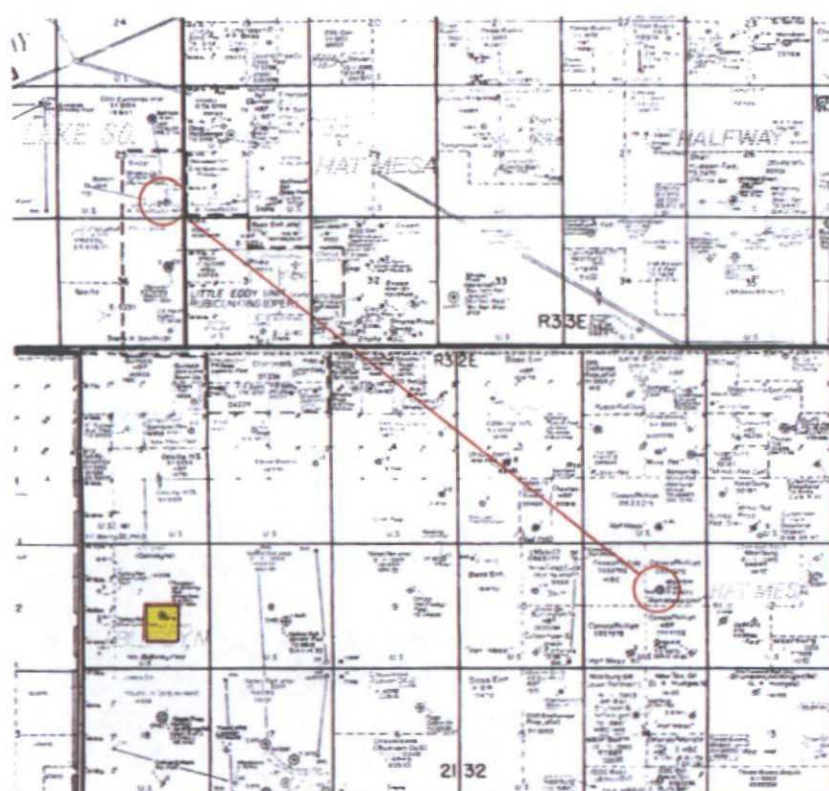
Type Log

FIGURE 1: TYPICAL SECTION OF ROCKS PENETRATED





DST: REC:  
3,000' WB,  
3,800' SGCM,  
9,671' XSW



Okerlund SWD Well #1  
Lea County, New Mexico  
Stratigraphic  
Cross Section



## New Mexico Office of the State Engineer Wells with Well Log Information

(A CLW##### in the  
POD suffix indicates  
the POD has been  
replaced & no longer  
serves a water right  
file.)

(R=POD has  
been replaced,  
O=orphaned,  
C=the file is  
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(in feet)

| POD     | Code | Subbasin | County | Source  | q | q | q | Sec | Tws | Rng | X      | Y        | Start Date | Finish Date | Log File   | Depth<br>Well | Depth<br>Water | Driller              | License<br>Number |
|---------|------|----------|--------|---------|---|---|---|-----|-----|-----|--------|----------|------------|-------------|------------|---------------|----------------|----------------------|-------------------|
| C 03151 |      |          | ED     | Shallow | 4 | 1 | 4 | 07  | 21S | 32E | 621119 | 3595526* | 08/23/2005 | 09/10/2005  | 09/20/2005 | 1352          |                | BROCKMAN, BERNARD J. | 1184              |

Record Count: 1

### PLSS Search:

Section(s): 7

Township: 21S

Range: 32E

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

7/9/15 12:42 PM

Page 1 of 1

WELLS WITH WELL LOG INFORMATION



---

## *New Mexico Office of the State Engineer* **Wells with Well Log Information**

---

No wells found.

**PLSS Search:**

Section(s): 8

Township: 21S

Range: 32E



---

*New Mexico Office of the State Engineer*  
**Wells with Well Log Information**

---

No wells found.

**PLSS Search:**

Section(s): 17

Township: 21S

Range: 32E



---

## *New Mexico Office of the State Engineer* **Wells with Well Log Information**

---

No wells found.

**PLSS Search:**

Section(s): 18

Township: 21S

Range: 32E



On time. On target. In touch.™

---

## **Water Well Report**

---

<http://www.geo-search.net/QuickMap/index.htm?DataID=Standard0000114581>

*Click on link above to access the map and satellite view of current property*

*Target Property:*

**Okerlund SWD**

**Lea County, New Mexico 88252**

*Prepared For:*

**Larson & Associates**

**Order #: 52470**

**Job #: 114581**

**Project #: 15-0126-00**

**PO #: 1703**

**Date: 07/21/2015**



## TARGET PROPERTY SUMMARY

**Okerlund SWD**

**Lea County, New Mexico 88252**

**USGS Quadrangle: The Divide, NM**

**Target Property Geometry: Point**

**Target Property Longitude(s)/Latitude(s):**

**(-103.710489, 32.489944)**

**County/Parish Covered:**

**Eddy (NM), Lea (NM)**

**Zipcode(s) Covered:**

**Carlsbad NM: 88220**

**Jal NM: 88252**

**State(s) Covered:**

**NM**

**\*Target property is located in Radon Zone 2.**

**Zone 2 areas have a predicted average indoor radon screening level between 2 and 4 pCi/L (picocuries per liter).**

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## DATABASE FINDINGS SUMMARY

| DATABASE   | ACRONYM | LOCA-<br>TABLE | UNLOCA-<br>TABLE | SEARCH<br>RADIUS<br>(miles) |
|--|---------|----------------|------------------|-----------------------------|
| <b><u>FEDERAL</u></b>  |         |                |                  |                             |
| UNITED STATES GEOLOGICAL SURVEY NATIONAL WATER<br>INFORMATION SYSTEM | NWIS    | 0              | 0                | 1.0000                      |
| <b>SUB-TOTAL</b>   |         | <b>0</b>       | <b>0</b>         |                             |
| <b><u>STATE (NM)</u></b>   |         |                |                  |                             |
| WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE WATERS<br>SYSTEM |         | 1              | 0                | 1.0000                      |
| <b>SUB-TOTAL</b>   |         | <b>1</b>       | <b>0</b>         |                             |

|              |          |          |
|--------------|----------|----------|
| <b>TOTAL</b> | <b>1</b> | <b>0</b> |
|--------------|----------|----------|

**GeoSearch**

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

## LOCATABLE DATABASE FINDINGS

| ACRONYM                  | SEARCH<br>RADIUS<br>(miles) | TP/AP<br>(0 - 0.02) | 1/8 Mile<br>(> TP/AP) | 1/4 Mile<br>(> 1/8) | 1/2 Mile<br>(> 1/4) | 1 Mile<br>(> 1/2) | > 1 Mile | Total    |
|--------------------------|-----------------------------|---------------------|-----------------------|---------------------|---------------------|-------------------|----------|----------|
| <b><u>FEDERAL</u></b>    |                             |                     |                       |                     |                     |                   |          |          |
| NWIS                     | 1.000                       | 0                   | 0                     | 0                   | 0                   | 0                 | NS       | 0        |
| <b>SUB-TOTAL</b>         |                             | <b>0</b>            | <b>0</b>              | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b> | <b>0</b> |
| <b><u>STATE (NM)</u></b> |                             |                     |                       |                     |                     |                   |          |          |
| WATERS                   | 1.000                       | 0                   | 1                     | 0                   | 0                   | 0                 | NS       | 1        |
| <b>SUB-TOTAL</b>         |                             | <b>0</b>            | <b>1</b>              | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b> | <b>1</b> |

|              |          |          |          |          |          |          |          |          |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>TOTAL</b> | <b>0</b> | <b>1</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1</b> |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|

**NOTES:**

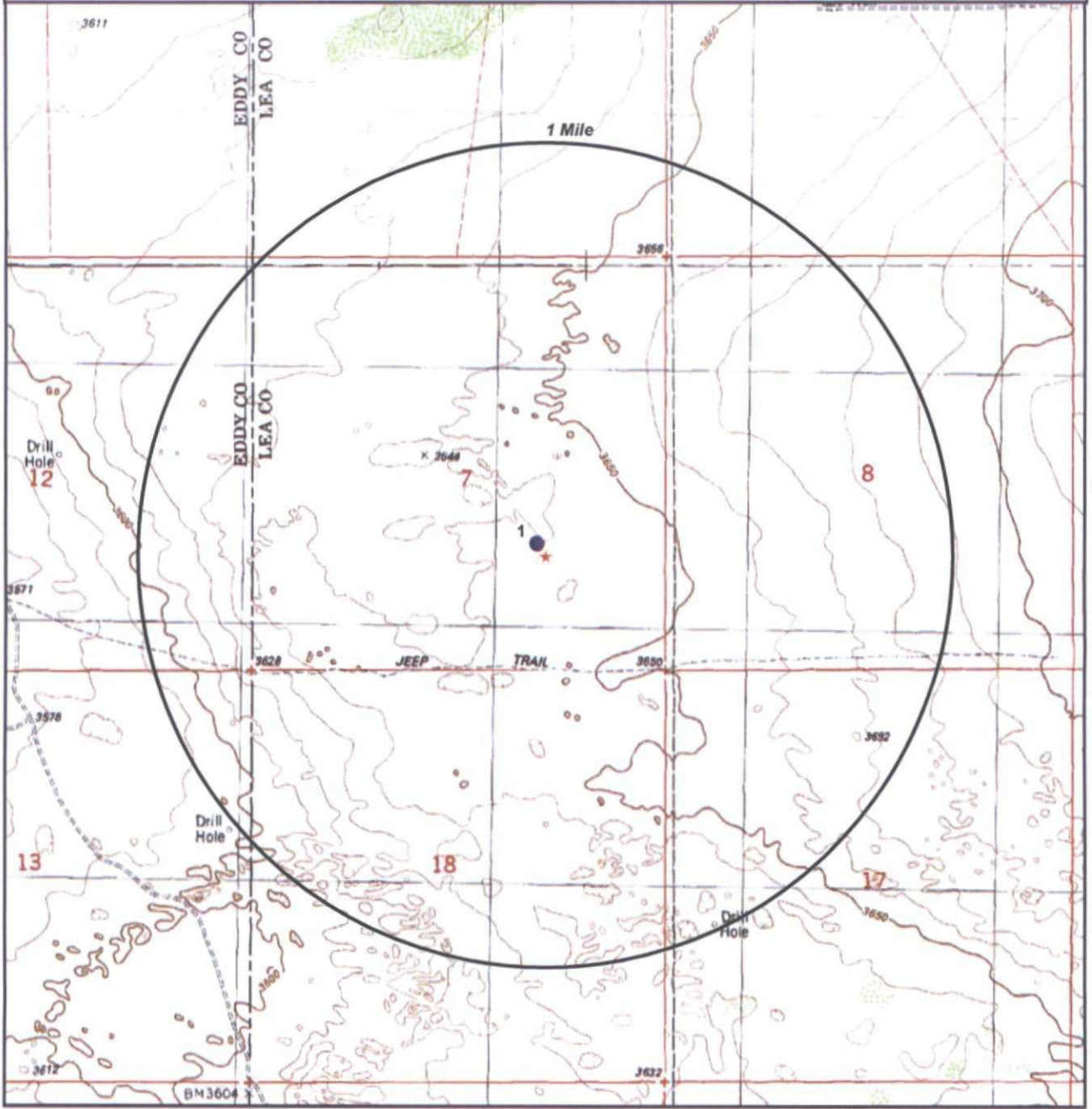
NS = NOT SEARCHED

TP/AP = TARGET PROPERTY/ADJACENT PROPERTY

**GeoSearch**

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# WATER WELL MAP



- ★ Target Property (TP)  
● WATERS

Okerlund SWD  
Lea County, New Mexico  
88252

CONTOUR LINES REPRESENTED IN FEET



0' 1000' 2000' 3000'

SCALE: 1" = 2000'

**GeoSearch**

**www.geo-search.com - phone: 888-396-0042 - fax: 512-472-9967**

## REPORT SUMMARY OF LOCATABLE SITES

| MAP<br>ID# | DATABASE<br>NAME | SITE ID# | DISTANCE<br>FROM SITE | SITE NAME | ADDRESS | CITY, ZIP CODE | PAGE<br># |
|------------|------------------|----------|-----------------------|-----------|---------|----------------|-----------|
| 1          | WATERS           | C03151   | 0.037 NW              |           |         |                | 1         |

**GeoSearch**

[www.geo-search.com](http://www.geo-search.com) · phone: 888-396-0042 · fax: 512-472-9987

## WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE SYSTEM (WATERS)

**MAP ID# 1**

Distance from Property: 0.04 mi. NW

GEOSEARCH ID: C03151  
OWNER'S NAME:  
DATE DRILLED: 09/10/2005  
DEPTH DRILLED: 1352.000000000000 FT.  
DATE PLUGGED: / /  
STATIC LEVEL: 0.000000000000 FT.  
WATER USAGE: NOT REPORTED  
LONGITUDE: -103.710849000  
LATITUDE: 32.490392000

**GeoSearch**

www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

## ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

**NWIS**

United States Geological Survey National Water Information System

VERSION DATE: 7/2014

This USGS National Water Information System database only includes groundwater wells. The USGS defines this well type as: A hole or shaft constructed in the earth intended to be used to locate, sample, or develop groundwater, oil, gas, or some other subsurface material. The diameter of a well is typically much smaller than the depth. Wells are also used to artificially recharge groundwater or to pressurize oil and gas production zones. Additional information about specific kinds of wells should be recorded under the secondary site types or the Use of Site field. Underground waste-disposal wells should be classified as waste-injection wells.

**GeoSearch**

[www.geo-search.com](http://www.geo-search.com) · phone: 888-396-0042 · fax: 512-472-9967

## **ENVIRONMENTAL RECORDS DEFINITIONS - STATE (NM)**

### **WATERS**

Water Administration Technical Engineering Resource System

VERSION DATE: 4/2014

This water well location data was extracted from the NM Office of the State Engineer's Water Administration Technical Engineering Resource System database. Changes are periodically added to the information and may be made at any time. The database may contain information for areas not complete, including in-progress areas, this information should not be relied on as accurate or complete.

**GeoSearch**

[www.geo-search.com](http://www.geo-search.com) · phone: 888-396-0042 · fax: 512-472-9967



## **ATTACHMENT IX**

### **Proposed Stimulation Program**

The well will be perforated in intervals based on porosity and acidized. Coiled tubing will be used to place the acid across the porous zones accurately.

## **ATTACHMENT X**

### **Logging and Test Data**

A type log (Figure 1) was prepared from a test well (Audie Richards #1) that was drilled 16,600 feet (TD) and encountered Precambrian rock (granite) at 16,550 feet. The well was drilled about 3.9 miles north of the proposed SWD in Unit P (SE/4, SE/4), Section 25, Township 20 South and Range 32 East. The well was logged with conventional logging tools available at the time.

## **ATTACHMENT XI**

### **Chemical Analysis from Fresh Water Well**

According to records from the New Mexico Office of the State Engineer, there is one water well located within 1-mile of the Okerlund SWD #1. Contact with the owners (Sandia National Laboratories/ WIPP) of this well was attempted but further information could not be obtained.

***Refer to attached Office of the State Engineer Well Inventory and Geosearch  
Water Well Report  
(Attachment VIII)***

**From:** Michael Gant  
**To:** "infocntr@wipp.ws";  
**Subject:** Inquiry for well SNL 6  
**Date:** Wednesday, July 22, 2015 9:31:00 AM

---

Hello,

I am a geologist working on a permit through the NMOCD. We have come across a well that the BLM identified as owned by WIPP (Sandia National Laboratories). The well is labeled SNL-6 and is located in the north east corner of section 7 of township 21S range 32E in Lea county, NM. I am looking for any lab results or information that you may have available for this well. Any information on depth to groundwater, levels of BTEX or any anions /cations, and the formation where the well was drilled. If this information is not available we would need access to this well to perform our own chemical analysis in compliance with the NMOCD. Any information you can offer would be greatly appreciated.

Thank you.

**Michael Gant**

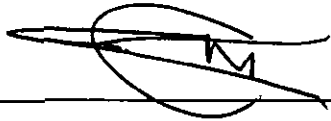
Geologist  
Larson & Associates, Inc.  
432-664-5357

## ATTACHMENT XII

### Faults and Hydrologic Connections

#### Statement

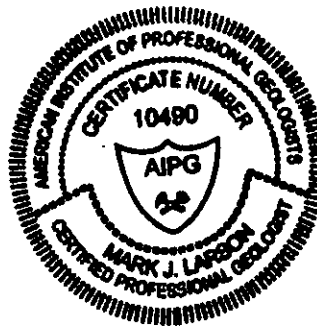
I, Mark J. Larson, have reviewed available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.



\_\_\_\_\_  
Mark J. Larson

\_\_\_\_\_  
July 29, 2015

\_\_\_\_\_  
Date



## ATTACHMENT XIII

### Proof of Notice

The following parties were identified as having surface/mineral/lease ownership within one-half mile of the proposed SWD well and were notified on July 29, 2015:

**Abo Petroleum Corp.**

105 South 4<sup>th</sup> street

Artesia, NM 88210

**Khody Land and Minerals Company**

210 Park Avenue

Suite 900

Oklahoma City, OK 73102

**U.S. Bureau of Land Management**

Carlsbad Field Office

620 East Greene Street

Carlsbad, NM 88220

**Myco Industries, Inc.**

105 South 4<sup>th</sup> Street

Artesia, NM 88210

**OXY Y-1 Company**

P.O. Box 27570

Houston, TX 77227

**Bill Cotner, dba Meadco Properties, LTD**

P.O. Box 2236

Midland, TX 79702-2236

**Raya Energy Corp.**

308 Creek Ridge Lane

Round Rock, TX 78664

**ConocoPhillips Co.**

600 North Dairy Ashford

Houston, TX 77079

**Sharbro Energy LLC**

P.O. Box 840

Artesia, NM 88210

**Hayes Land, LP**

3300 N A St. # 1-220

Midland, TX 79705

**Yates Petroleum Corp.**

105 South 4<sup>th</sup> Street

Artesia, NM 88210

***Refer to attached Letters of Notification***



**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Bill Cotner, dba Meadco Properties, LTD  
P.O. Box 2236  
Midland, TX 79702-2236

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New  
Mexico**

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Okerlund SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 1 office located at 1625 N. French Drive in Hobbs, New Mexico 88240 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email [gwallace@r360es.com](mailto:gwallace@r360es.com), if you have questions.

Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/







**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Abo Petroleum Corp.  
105 South 4<sup>th</sup> street  
Artesia, NM 88210

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

ConocoPhillips Co.  
600 North Dairy Ashford  
Houston, TX 77079

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
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**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

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**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Hayes Land, LP  
3300 N A St. # 1-220  
Midland, TX 79705

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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Khody Land and Minerals Company  
210 Park Avenue  
Suite 900  
Oklahoma City, OK 73102

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New  
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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future*

July 29, 2015

Myco Industries, Inc.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New  
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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

OXY Y-1 Company  
P.O. Box 27570  
Houston, TX 77227

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New  
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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Raya Energy Corp.  
308 Creek Ridge Lane  
Round Rock, TX 78664

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Sharbro Energy LLC  
P.O. Box 840  
Artesia, NM 88210

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/







**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Yates Petroleum Corp.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

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Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, NM 88220

**Re: Application for Salt Water Disposal (Okerlund SWD #1) Well, R360 Permian Basin, LLC,  
Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, Lea County, New  
Mexico**

Dear BLM:

The enclosed application has been submitted to the New Mexico Oil Conservation Division (OCD) for permitting a commercial salt water disposal (SWD) well in Unit J (NW/4, SE/4) Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. You are receiving this letter and application as Administrator of U.S. Government Lands. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

Enc/





**WASTE CONNECTIONS, INC.**  
*Connect with the Future®*

July 29, 2015

Mr. Phillip Goetze  
Engineering and Geological Services  
New Mexico Oil Conservation Division  
1220 So. St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Commercial SWD Well Application, Okerlund SWD #1, 360 Permian Basin LLC, Unit M (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico**

Dear Mr. Goetze,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be 1470' FSL and 1555' FEL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 14,000 and 16,000 feet. Notification and a copy of the permit application were sent to the NMOCDD District 1 office in Hobbs, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

**Waste Connections, Inc.**

**Luke Bross**  
**Legislative & Regulatory Affairs**

cc: Maxey Brown – Supervisor

Enc/



## **PUBLIC NOTICE**

The attached public notice was submitted to the Hobbs News Sun for one-time publication.

## **PUBLIC NOTICE**

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Okerlund SWD #1). The well will be located 1470' FSL and 1555' FEL, in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be located approximately 40 miles southwest of Hobbs, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,000' and 16,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.

|                      |          |                 |                        |             |                           |
|----------------------|----------|-----------------|------------------------|-------------|---------------------------|
| 8/10/2015<br>DATE IN | SUSPENSE | RRG<br>ENGINEER | 8/10/2015<br>LOGGED IN | SWD<br>TYPE | PMAM 1522254037<br>APP NO |
|----------------------|----------|-----------------|------------------------|-------------|---------------------------|

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 \_\_\_\_\_

[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.

Luke Bross  
Print or Type Name

[Signature]  
Signature

Gov. Regulatory Affairs/SD  
Title

8/10/15  
Date

lukerh@R360ES.com  
e-mail Address

SWD-1573  
-R360 Pennian Basin LLC  
289936  
Well  
OK on SWD #1  
30-025 - pending  
Pool  
-SWD, Deconian  
96101

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

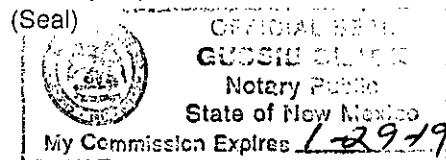
Beginning with the issue dated  
August 06, 2015  
and ending with the issue dated  
August 06, 2015.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
6th day of August 2015.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## **LEGAL NOTICE** August 6, 2015

### **PUBLIC NOTICE**

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Okerlund SWD #1). The well will be located 1470' FSL and 1555' FEL, in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be located approximately 40 miles southwest of Hobbs, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,000' and 16,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.  
#30239

02105581

00160845

MARK LARSON  
LARSON AND ASSOCIATES  
507 NORTH MARIENFELD SUITE 202  
MIDLAND, TX 79701

## **McMillan, Michael, EMNRD**

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Tuesday, August 04, 2015 11:16 AM  
**To:** 'lukeb@r360es.com'  
**Subject:** Okerlund SWD Well No. 1

Mr. Bross:

I received your application yesterday

I need the following information:

- Administrative application checklist
- Return receipt for all affected parties
- Notarized proof of publication in the newspaper in the county where the proposed well is located.

Thank You

### **Michael A. McMillan**

Engineering and Geological Services Bureau, Oil Conservation Division  
1220 South St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448 F. 505.476.3462  
Michael.mcmillan@state.nm.us





C-108 Review Checklist: Received: 8/10 Add. Request: 8/26 Reply Date: 9/27 Suspended: \_\_\_\_\_

PERMIT TYPE: WFX / PMX SWD Number: 1574 Permit Date: \_\_\_\_\_ Legacy Permits/Orders: \_\_\_\_\_

Well No. 1 Well Name(s): Okerlynd SWD

API: 30-0 25-Pending Spud Date: MA New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 1555 FCL Lot \_\_\_\_\_ or Unit 3 Sec 7 Tsp 21S Rge 32E County Lea

General Location: 23 miles SW of Hobbs Pool: SWD, Devonian Pool No.: 9610/

BLM 100K Map: 5A1 Operator: 2360 Pennman OGRID: 249936 Contact: BRoss

COMPLIANCE RULE 5.9: Total Wells: 2 Inactive: 0 Fincl Assur: Y Compl. Order? N IS 5.9 OK? Y Date: 5-26-2015

WELL FILE REVIEWED ☐ Current Status: Proposed

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: \_\_\_\_\_

Planned Rehab Work to Well: \_\_\_\_\_

| Well Construction Details  |  | Sizes (in)<br>Borehole / Pipe | Setting<br>Depths (ft) | Cement<br>Sx or Cf | Cement Top and<br>Determination Meth |
|--|--|-------------------------------|------------------------|--------------------|--------------------------------------|
| Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> Surface   |  | <u>2 1/2</u>                  | <u>1060</u>            | <u>1375</u>        | <u>SURFACE/Visa</u>                  |
| Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod          |  | <u>1 7/8</u>                  | <u>2900</u>            | <u>1940</u>        | <u>SURFACE/Visa</u>                  |
| Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod          |  | <u>1 1/4</u>                  | <u>5100</u>            | <u>1145</u>        | <u>SURFACE/Visa</u>                  |
| Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner           |  | <u>8 1/2</u>                  | <u>14965</u>           | <u>5725</u>        | <u>SURFACE/Visa</u>                  |
| Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner                |  | <u>5 7/8</u>                  | <u>1465</u>            |                    | <u>SURFACE</u>                       |
| Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH / PERF |  | <u>1400</u><br><u>1600</u>    |                        | <u>1700</u>        |                                      |

| Injection Stratigraphic Units      |              | Depths (ft) | Injection or Confining<br>Units | Tops         | Completion/Operation Details  |
|------------------------------------|--------------|-------------|---------------------------------|--------------|---|
| Adjacent Unit: Litho. Struc. Por.  |              |             | <u>WJ</u>                       | <u>14125</u> | Drilled TD <u>16000</u> PBTD _____  |
| Confining Unit: Litho. Struc. Por. |              |             | <u>ML</u>                       | <u>13650</u> | NEW TD _____ NEW PBTD _____   |
| Proposed Inj Interval TOP:         | <u>14000</u> |             |                                 |              | NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/> |
| Proposed Inj Interval BOTTOM:      | <u>16000</u> |             |                                 |              | Tubing Size <u>4 1/2</u> in. Inter Coated? <u>Y</u>                                     |
| Confining Unit: Litho. Struc. Por. |              |             |                                 |              | Proposed Packer Depth <u>13900</u> ft   |
| Adjacent Unit: Litho. Struc. Por.  |              |             |                                 |              | Min. Packer Depth <u>13900</u> (100-ft limit)   |
|                                    |              |             |                                 |              | Proposed Max. Surface Press. <u>2800</u> p  |
|                                    |              |             |                                 |              | Admin. Inj. Press. <u>2800</u> (0.2 psi per   |

POTASH: R-111-P ☒ Noticed? \_\_\_\_\_ BLM Sec Ord ☐ WIPP ☐ Noticed? \_\_\_\_\_ SALT/SALADO T: \_\_\_\_\_ B: \_\_\_\_\_ CLIFF HOUSE

FRESH WATER: Aquifer \_\_\_\_\_ Max Depth \_\_\_\_\_ HYDRO AFFIRM STATEMENT By Qualified Person

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

Disposal Fluid: Formation Source(s) Devonian Analysis? \_\_\_\_\_ On Lease ☐ Operator Only ☐ or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): 16,000/20,000 Protectable Waters? \_\_\_\_\_ Source: \_\_\_\_\_ System: Closed ☐ or Open

HC Potential: Producing Interval? \_\_\_\_\_ Formerly Producing? \_\_\_\_\_ Method Logs/DST/P&A/Other 2-Mile Radius Pool Ma

AOR Wells: 1/2-M Radius Map? Y Well List? \_\_\_\_\_ Total No. Wells Penetrating Interval: \_\_\_\_\_ Horizontals? \_\_\_\_\_

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

Penetrating Wells: No. P&A Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

NOTICE: Newspaper Date August 2, 2015 Mineral Owner BLM Surface Owner BLM N. Date 7/29

RULE 26.7(A): Identified Tracts? \_\_\_\_\_ Affected Persons: YATES, R. J., CONOCO N. Date 7/29

Permit Conditions: Issues: Limit injection to Devonian

Add Permit Cond: Injection BW 14K-16K. Each casing string circulated to casing off potash & Capitan w/separate strings. Surface

## McMillan, Michael, EMNRD

---

**From:** Mark Larson <Mark@laenvironmental.com>  
**Sent:** Thursday, August 27, 2015 12:44 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Re: Okerlund SWD #1

Michael,

Here's revised tops for the Okerlund #1 SWD well based on a review of the Getty Federal #7 log by James Turbyfill. With the Lamar present at 4,453' it's unlikely the Capitan is present at this location.

Lamar: 4,453'  
Bone Springs: 8,360'  
Wolfcamp: 10,160'  
Strawn: 12,678'  
Morrow Lime: 13,420'  
Chester: 14,260'  
Woodford: 14,798'  
Silurian/Devonian: 14,965'  
Montoya: 16,225'  
Simpson: 16,575'  
Ellenburger: 16,915'  
Granite: 17,215'

Please let me know if you have questions, need additional information or modifications.  
Mark

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-8181 Fax: (575) 393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (575) 744-1263 Fax: (575) 744-8720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1221 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-5480 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1221 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

|               |                               |                   |
|---------------|-------------------------------|-------------------|
| API Number    | Pool Code                     | Pool Name         |
| Property Code | Property Name<br>OKERLUND SWD | Well Number<br>1  |
| OGRID No.     | Operator Name<br>R360         | Elevation<br>3644 |

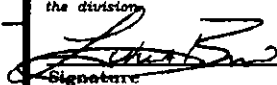
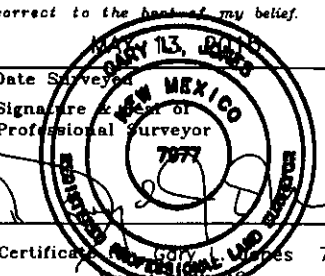
Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West LINE | County |
| J             | 7       | 21 S     | 32 E  |         | 1470          | SOUTH            | 1555          | EAST           | LEA    |

Bottom Hole Location If Different From Surface

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

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

|  |  |  |  |
|--|--|--|--|
| N: 546305.3<br>E: 729531.5<br>(NAD 83) | N: 546332.6<br>E: 732267.5<br>(NAD 83)   | N: 546350.1<br>E: 734909.1<br>(NAD 83) | <b>OPERATOR CERTIFICATION</b><br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br><br>Signature<br>Date 7/28/15<br>Printed Name Luke Gross<br>Email Address luke@R360ES.com |
|  | <b>SURFACE LOCATION</b><br>Lat - N 32°29'23.80"<br>Long - W 103°42'37.76"<br>NMSPC- N 542533.1<br>E 733379.6<br>(NAD-83) |  | <b>SURVEYOR CERTIFICATION</b><br>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.<br>Date Surveyed<br>Signature of Professional Surveyor<br><br>Certified Correct<br>7977  |
| N: 541021.4<br>E: 729560.9<br>(NAD 83) |  | N: 541080.3<br>E: 734943.7<br>(NAD 83) | 0' 500' 1000' 1500' 2000'<br>SCALE: 1" = 1000'<br>WO Num.: 31648   |

# Affidavit of Publication

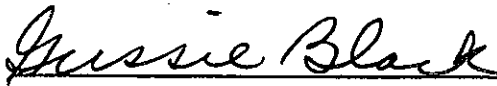
STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

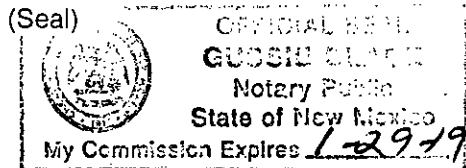
Beginning with the issue dated  
August 06, 2015  
and ending with the issue dated  
August 06, 2015.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
6th day of August 2015.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2019



## **LEGAL NOTICE August 6, 2015**

### **PUBLIC NOTICE**

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Okerlund SWD #1). The well will be located 1470' FSL and 1555' FEL, in Unit J (NW/4, SE/4), Section 7, Township 21 South, Range 32 East, in Lea County, New Mexico. The well will be located approximately 40 miles southwest of Hobbs, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,000' and 16,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.  
#30239

02105581

00160845

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

MARK LARSON  
LARSON AND ASSOCIATES  
507 NORTH MARIENFELD SUITE 202  
MIDLAND, TX 79701

7009 3410 0000 0953 0724

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| <b>Total Postage &amp; Fees</b>                | <b>\$13.30</b> |

Sent to: **OKY Y-I Co.**  
 or PO Box No. **P.O. Box 27570**  
 City, State, ZIP+4<sup>®</sup> **Houston, TX 77227**  
 PS Form 3811, August 2004 (PSN 7530-01-000-9048) Contains indicia

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
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1. Article Addressed to:  
**OKY Y-I Company**  
**P.O. Box 27570**  
**Houston, TX 77227**

2. Article Number (Transfer from service label) **7009 3410 0000 0953 0724**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) **[Signature]** C. Date of Delivery **[Signature]**

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

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
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4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

PS Form 3811, February 2004 Domestic Return Receipt PSN 7530-01-1540

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| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$15.10</b> |

Sent to: **2860 Lake Brass (2 copies)**  
 or PO Box No. **3 Waterway Sq. Dr. Ste 110**  
 City, State, ZIP+4<sup>®</sup> **The Woodlands, TX 77380**  
 PS Form 3811, July 2019 (PSN 7530-01-000-9048) Contains indicia

**SENDER: COMPLETE THIS SECTION**

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 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**2860 Environmental Solutions, Inc.**  
**Attn: Luke Brass**  
**3 Waterway Square Dr. Ste 110**  
**The Woodlands, TX 77380**

2. Article Number (Transfer from service label) **7009 3410 0000 0955 3181**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) **[Signature]** C. Date of Delivery **[Signature]**

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

3. Service Type  
☒ Certified Mail ☐ Priority Mail Express<sup>®</sup>  
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☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

PS Form 3811, July 2019 Domestic Return Receipt PSN 7530-01-000-9048

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|--|----------------|
| Postage  | \$4.05         |
| Certified Fee                                  | \$3.45         |
| Return Receipt Fee (Endorsement Required)      | \$2.80         |
| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$10.30</b> |

Sent to: **Conoco Phillips Co.**  
 600 N. Dairy Ashford  
 Houston, TX 77079

Postmark: Houston, TX 77079

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:  
**Conoco Phillips Co.**  
**600 N. Dairy Ashford**  
**Houston, TX 77079**

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3051**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*

B. Received by (Printed Name): *[Signature]*

C. Date of Delivery: *2/15*

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

3. Service Type:  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

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| Postage  | \$5.95         |
| Certified Fee                                  | \$3.45         |
| Return Receipt Fee (Endorsement Required)      | \$2.80         |
| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$12.20</b> |

Sent to: **Yates Petroleum Corp.**  
 105 S. 4th St.  
 Artesia, NM 88210

Postmark: Artesia, NM 88210

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:  
**Yates Petroleum Corp.**  
**105 S. 4th St.**  
**Artesia, NM 88210**

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3066**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*

B. Received by (Printed Name): *[Signature]*

C. Date of Delivery: *2/15*

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

3. Service Type:  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

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| Postage  | \$5.95         |
| Certified Fee                                  | \$3.45         |
| Return Receipt Fee (Endorsement Required)      | \$2.80         |
| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$12.20</b> |

Sent to: **Yates Petroleum Corp.**  
 105 S. 4th St.  
 Artesia, NM 88210

Postmark: Artesia, NM 88210

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:  
**Yates Petroleum Corp.**  
**105 S. 4th St.**  
**Artesia, NM 88210**

2. Article Number (Transfer from service label): **7009 3410 0000 0955 0755**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*

B. Received by (Printed Name): *[Signature]*

C. Date of Delivery: *2/15*

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

3. Service Type:  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

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| Return Receipt Fee (Endorsement Required)      | \$2.80         |
| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$12.20</b> |

Sent to: **Bill Corner, dba Meadco Prop., LTD**  
 P.O. Box 2236  
 Midland, TX 79702-2236

Postmark: Midland, TX 79702-2236

**SENDER: COMPLETE THIS SECTION**

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Attach this card to the back of the mailpiece or on the front if space permits.

1. Article Addressed to:  
**Bill Corner, dba Meadco Prop., LTD**  
**P.O. Box 2236**  
**Midland, TX 79702-2236**

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3099**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*

B. Received by (Printed Name): *[Signature]*

C. Date of Delivery: *2/15*

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

3. Service Type:  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

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| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$13.30</b> |

Sent to: **Khady Land Minerals Co.**  
210 Park Ave Ste. 900  
Oklahoma City, OK 73102

PS Form 3811, February 2004

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

1. Article Addressed to: **15-0126-00**  
**Khady Land Minerals Co.**  
**210 Park Ave Ste. 900**  
**Oklahoma City, OK 73102**

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3075**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-40-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*

B. Received by (Printed Name): *[Signature]*

C. Date of Delivery: *[Signature]*

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

3. Service Type:  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

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| Postage  | \$ 5.95        |
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| Return Receipt Fee (Endorsement Required)      | 2.80           |
| Restricted Delivery Fee (Endorsement Required) |                |
| <b>Total Postage &amp; Fees</b>                | <b>\$12.20</b> |

Sent to: **Shabro Energy, LLC**  
P.O. Box 840  
Afton, NM 88210

PS Form 3811, February 2004

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

1. Article Addressed to: **15-0126-00**  
**Shabro Energy, LLC**  
**P.O. Box 840**  
**Afton, NM 88210**

2. Article Number (Transfer from service label): **7009 3410 0000 0955 3044**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-40-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]*

B. Received by (Printed Name): *[Signature]*

C. Date of Delivery: *[Signature]*

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

3. Service Type:  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

7009 3410 0000 0955 3020

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|--|---------|
| For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a> |         |
| <b>OFFICIAL USE</b>  |         |
| Postage  | \$5.95  |
| Certified Fee  | \$3.45  |
| Return Receipt Fee (Endorsement Required)  | \$2.80  |
| Restricted Delivery Fee (Endorsement Required)   |         |
| Total Postage & Fees   | \$12.20 |
| Sent to:<br>Muco Industries<br>105 S. 4th St.<br>Ariesia, NM 88210                           |         |

| SENDER: COMPLETE THIS SECTION   |  | COMPLETE THIS SECTION ON DELIVERY  |  |
|---|--|--|--|
| <p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> |  | <p>A. Signature<br/>X [Signature]<br/><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)<br/>[Signature]<br/>C. Date of Delivery<br/>8-3-15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/>If YES, enter delivery address below:</p>  |  |
| <p>1. Article Addressed to: 15-D126-DD<br/>Muco Industries, Inc.<br/>105 S. 4th St.<br/>Ariesia, NM 88210</p>   |  | <p>3. Service Type<br/><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br/><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |  |
| 2. Article Number<br>(Transfer from service label)<br>7009 3410 0000 0955 3020  |  |  |  |
| PS Form 3811, February 2004 Domestic Return Receipt 102295-02-14-1540   |  |  |  |

7007 2560 0002 4787 2050

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| <b>OFFICIAL USE</b>  |         |
| Postage  | \$5.95  |
| Certified Fee  | \$3.45  |
| Return Receipt Fee (Endorsement Required)  | \$2.80  |
| Restricted Delivery Fee (Endorsement Required)   |         |
| Total Postage & Fees   | \$12.20 |
| Sent to:<br>Mr. Maxey Brown, NMOC District 1<br>1625 N. French Dr.<br>Hobbs, NM 88240        |         |

| SENDER: COMPLETE THIS SECTION   |  | COMPLETE THIS SECTION ON DELIVERY  |  |
|---|--|--|--|
| <p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> |  | <p>A. Signature<br/>[Signature]<br/><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)<br/>[Signature]<br/>C. Date of Delivery<br/>8-3-15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/>If YES, enter delivery address below:</p>  |  |
| <p>1. Article Addressed to: 15-D126-DD<br/>Mr. Maxey Brown<br/>NMOC District 1<br/>1625 N. French Drive<br/>Hobbs, NM 88240</p>   |  | <p>3. Service Type<br/><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Priority Mail Express<br/><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/><input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |  |
| 2. Article Number<br>(Transfer from service label)<br>7007 2560 0002 4787 2050  |  |  |  |
| PS Form 3811, July 2013 Domestic Return Receipt   |  |  |  |

7009 3410 0000 0953 0748

| U.S. Postal Service<br>CERTIFIED MAIL RECEIPT<br>(Domestic Mail Only; No Insurance Coverage) |         |
|--|---------|
| For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a> |         |
| <b>OFFICIAL USE</b>  |         |
| Postage  | \$7.05  |
| Certified Fee  | \$3.45  |
| Return Receipt Fee (Endorsement Required)  | \$2.80  |
| Restricted Delivery Fee (Endorsement Required)   |         |
| Total Postage & Fees   | \$13.30 |
| Sent to:<br>Phillip Gietze, NMOC<br>1220 So. St. Francis Dr.<br>Santa Fe, NM 87505           |         |

| SENDER: COMPLETE THIS SECTION   |  | COMPLETE THIS SECTION ON DELIVERY   |  |
|---|--|---|--|
| <p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> |  | <p>A. Signature<br/>[Signature]<br/><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)<br/>[Signature]<br/>C. Date of Delivery<br/>AUG 03 2015</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/>If YES, enter delivery address below:</p>  |  |
| <p>1. Article Addressed to: 15-D126-DD<br/>Mr. Phillip Gietze<br/>Engineering &amp; Geological Svs.<br/>NMOC<br/>1220 So. St. Francis Drive<br/>Santa Fe, NM 87505</p>  |  | <p>3. Service Type<br/><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Priority Mail Express<br/><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |  |
| 2. Article Number<br>(Transfer from service label)<br>7009 3410 0000 0953 0748  |  |   |  |
| PS Form 3811, February 2004 Domestic Return Receipt 102295-02-14-1540   |  |   |  |

7009 3410 0000 0953 0731

| U.S. Postal Service<br>CERTIFIED MAIL RECEIPT<br>(Domestic Mail Only; No Insurance Coverage) |         |
|--|---------|
| For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a> |         |
| <b>OFFICIAL USE</b>  |         |
| Postage  | \$5.95  |
| Certified Fee  | \$3.45  |
| Return Receipt Fee (Endorsement Required)  | \$2.80  |
| Restricted Delivery Fee (Endorsement Required)   |         |
| Total Postage & Fees   | \$12.20 |
| Sent to:<br>U.S. Bureau of Santa Fe<br>620 E. Greene St.<br>Carlsbad, NM 88220               |         |

| SENDER: COMPLETE THIS SECTION   |  | COMPLETE THIS SECTION ON DELIVERY  |  |
|---|--|--|--|
| <p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> |  | <p>A. Signature<br/>[Signature]<br/><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)<br/>[Signature]<br/>C. Date of Delivery<br/>8-3-15</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/>If YES, enter delivery address below:</p>  |  |
| <p>1. Article Addressed to: 15-D126-DD<br/>U.S. Bureau of Santa Fe<br/>Carlsbad Field Office<br/>620 E. Greene St.<br/>Carlsbad, NM 88220</p>   |  | <p>3. Service Type<br/><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br/><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |  |
| 2. Article Number<br>(Transfer from service label)<br>7009 3410 0000 0953 0731  |  |  |  |
| PS Form 3811, February 2004 Domestic Return Receipt 102295-02-14-1540   |  |  |  |



**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to: **Hayes Sand, LP**  
**3300 N. A St #1-220**  
**Midland, TX 79705**

2. Article Number: **7009 3410 0000 0955 3082**

PS Form 3811, July 2013 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: **X** ☐ Agent ☐ Addressee

B. Received by (Printed Name): **C. Date of Delivery:**

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

3. Service Type: ☒ Certified Mail® ☐ Priority Mail Express®  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7009 3410 0000 0955 3082

**US Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only: No Insurance Coverage Provided)

**OFFICIAL USE**

Postage: **5.95**  
 Certified Fee: **3.45**  
 Return Receipt Fee (Endorsement Required): **2.80**  
 Restricted Delivery Fee (Endorsement Required): **12.20**

Total Postage & Fees: **\$12.20**

Hayes Sand, LP  
 3300 N. A St #1-220  
 Midland, TX 79705

08/06/15

RETURN TO SENDER  
 ATTEMPTED NOT KNOWN  
 UNABLE TO FORWARD  
 RETURN TO SENDER

**LAISON & ASSOCIATES, INC.**  
 Environmental Consultants  
 607 North Main Street, Suite 205  
 Midland, Texas 79701

**Hayes Sand, LP**  
**3300 N. A St #1-220**  
**Midland, TX 79705**

**08/06/15**

**ANK**

8/18/2015

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Have questions? We're here to help.



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Sign up for My USPS.

Tracking Number: 7009341000009553037

Product & Tracking Information

Postal Product:

Features:  
Certified Mail™

| DATE & TIME              | STATUS OF ITEM                                  | LOCATION             |
|--------------------------|---|----------------------|
| August 3, 2015, 11:38 am | Notice Left (No Authorized Recipient Available) | ROUND ROCK, TX 78684 |
| August 2, 2015, 1:03 am  | Departed USPS Facility                          | AUSTIN, TX 78710     |
| August 1, 2015, 1:38 pm  | Arrived at USPS Facility                        | AUSTIN, TX 78710     |
| July 31, 2015, 4:24 am   | Departed USPS Facility                          | MIDLAND, TX 79711    |
| July 30, 2015, 9:37 pm   | Arrived at USPS Facility                        | MIDLAND, TX 79711    |

We attempted to deliver your item at 11:38 am on August 3, 2015 in ROUND ROCK, TX 78684 and a notice was left. Notice is addressed to a recipient who is not available. You may arrange redelivery by visiting [tools.usps.com](http://tools.usps.com) or calling 1-800-ASK-USPS. To pick up the item at the Post Office, call 1-800-ASK-USPS. If no one is available to receive the item by September 2, 2015, the item will be returned to sender.

Available Actions

Text Updates

Email Updates

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only: No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage: **6.95**  
 Certified Fee: **3.45**  
 Return Receipt Fee (Endorsement Required): **2.80**  
 Restricted Delivery Fee (Endorsement Required): **12.20**  
 Total Postage & Fees: **\$12.60**



Mail to: **Raya Energy Corp**  
 Street, Apt. No., or PO Box No.: **308 Creek Ridge Dr**  
 City, State, ZIP: **Round Rock, TX 78664**

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**McMillan, Michael, EMNRD**

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**From:** Rutley, James <jrutley@blm.gov>  
**Sent:** Thursday, August 27, 2015 4:55 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Re: Okerlund SWD Well No. 1

Thank you

Jim

**James S. Rutley**  
**Geologist**  
**Carlsbad Field Office**  
**Bureau of Land Management**  
**(575) 234-5904**

*Warning: This message is intended only for use of the individual or entity to which it is addressed, and may contain information that is privileged or confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return letter/fax/email.*

On Thu, Aug 27, 2015 at 4:53 PM, McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)> wrote:

1470 FSL

**From:** Rutley, James [mailto:[jrutley@blm.gov](mailto:jrutley@blm.gov)]  
**Sent:** Thursday, August 27, 2015 4:51 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Re: Okerlund SWD Well No. 1

Good Afternoon Michael,

Because the Okerlund SWD 1 is on the proposed drill island, Intrepid has given concurrence to approve the APD. I was on the onsite for this particular well. What is the footage call from the southern section line? I may have to modify the southern line of drill island to absorb that footage. I'm finalizing the drill island map to release to industry, potash, and you tomorrow.

Thanks

Jim

**James S. Rutley**

**Geologist**

**Carlsbad Field Office**

**Bureau of Land Management**

**(575) 234-5904**

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On Thu, Aug 27, 2015 at 3:26 PM, McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)> wrote:

Jim:

I was wondering if a life of mine reserve would be need for the Okerlund SWD well No. 1. Located in Section 7 R21S R32E, Lea Co. 14107 feet from the South, and 1555 feet from the East line of the Section. The well appears to be in an approved drilling island.

I just want to make sure that there would be no problems with potash if the well were approved by the OCD.

Thank You

## McMillan, Michael, EMNRD

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**From:** Mark Larson <Mark@laenvironmental.com>  
**Sent:** Friday, August 28, 2015 8:30 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Luke Bross  
**Subject:** FW: Okerlund SWD Well No. 1

Yes! The well will be an open hole completions.

---

**From:** Luke Bross [mailto:LukeB@R360es.com]  
**Sent:** Friday, August 28, 2015 9:28 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Mark Larson  
**Subject:** RE: Okerlund SWD Well No. 1

Mike,

I believe so.

Mark, can you confirm whether these will be open hole or not?

-Luke

---

**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Friday, August 28, 2015 9:19 AM  
**To:** Luke Bross  
**Subject:** RE: Okerlund SWD Well No. 1

I just want to make sure that this well will be open-hole completion.  
This is the last thing I need before I submit to the director  
Mike

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Tuesday, August 04, 2015 11:16 AM  
**To:** 'lukeb@r360es.com'  
**Subject:** Okerlund SWD Well No. 1

Mr. Bross:

I received your application yesterday

I need the following information:

- Administrative application checklist
- Return receipt for all affected parties
- Notarized proof of publication in the newspaper in the county where the proposed well is located.

Thank You