

6/09/2016 DATE IN	SUSPENSE	ENGINEER	6/09/2016 LOGGED IN	SWD TYPE	PMA161660357 APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

[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 Brass
 Print or Type Name

[Signature]
 Signature

Legislative & Regulatory Affairs
 Title

5-17-16
 Date

luke.brass@nmcog.com
 e-mail Address



WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

Mr. William Jones, Bureau Chief
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Cypress SWD #1, 360 Permian Basin LLC, Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, Eddy County, New Mexico

Dear Mr. Jones,

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 (Cypress SWD #1) in Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, Eddy County, New Mexico. The well will be located 1590' FSL and 165' 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 14,780 and 15,780 feet. Notification and a copy of the permit application were sent to the NMOCD District 2 office in Artesia, 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 | Development

cc: Randy Bayliss – OCD District 2

Enc/



APPLICATION FOR AUTHORIZATION TO INJECT

RECEIVED OOD

I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No JUN - 9 P 2: 21

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 Gross

TITLE: Legislative & Regulatory Affairs Manager

SIGNATURE: [Signature]

DATE: 6/7/16

E-MAIL ADDRESS: _____

* 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: _____

CYPRESS SWD WELL #1

PERMIT APPLICATION

Unit L (NW/4, SW/4), Section 34

Township 23 South, Range 29 East

Eddy County, New Mexico

LAI Project No. 15-0126-01

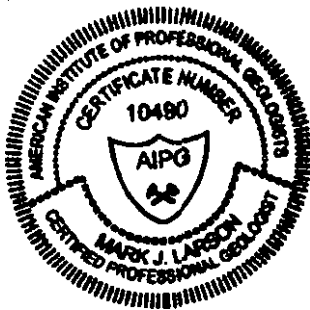
May 20, 2016

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 205
Midland, Texas 79701



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

Mark J. Larson

Certified Professional Geologist #10490

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

Michael T. Gant

Staff Geologist

APPLICATION FOR AUTHORIZATION TO INJECT

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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.).

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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 Brass

TITLE: Legislative & Regulatory Affairs

SIGNATURE: Luke Brass

DATE: 12-2-15

E-MAIL ADDRESS: _____

* 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: _____

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

ATTACHMENT III

Injection Well Data Sheet

Cambrian Management

EXECUTIVE SUMMARY WELLBORE DIAGRAM

WELL NAME:	R 360 Cypress	STATE:	New Mexico	Permit #		Job #	
LOCATION:	T 23 S. R 29 E Sec 33 NE 1/4 SE 1/4	COUNTY:	Eddy	Spud	TD	Rig Release	ng Days
DATE:		DATE:		Drill			0
ELEVATION:			Complete				0
API#				TVD	16780	PSTD	
Drill Contractor	TBD	PREPARED	A Rickard	Total Depth	15,780		
	DEPTH	HOLE SIZE	CASING SIZE	WEIGHT	GRADE	THREAD	CMT
Conductor CASING:							CMT VOL
Surf CASING:	800	28"	20"	108.4 ppf	J55	LTC	See cement lab on bottom
1st Int CASING:	3200	17 1/2"	13 3/8"	68 ppf	J-55	LTC	surface
2nd Int CASING:	9930	12 1/4"	9 5/8"	53.5	L-80	LTC	surface
Prod Casing	14780	8 1/2"	7"	35/29/35	CL80-P110-HCL	LTC	surface
Tubing	14780	5 7/8"	4 1/2"	11.6	P110-L80	8md LTC	Temp Survey

See cement sluries below

Water Board Depth

Regulation Mark Larson

Drilling Dallas

Complete Andy

Workover

Date

Initial Potential

Oil(BOPD)

Gas (MCFD)

Water (BPD)

GOR

Flowing/Pumping

Choke

Flowing Tbg psi

Csg Pressure

Oil Gravity

20" casing @ 800'

13-3/8" @ ~1600'

No DVT, will circulate cement to surface

ECP/DVT 9-5/8" @ 6000' or

fast good circulation

Contingency: Cem vol depth

adjusted Proportionately

9.625" @ ~9930' TD

7" TD at 14,780'

No DVT

CL5100

5000' 4 1/2" p110 9300' 4 1/2" L80

Arrowset 1X w/ O/D tool

F nipple R nipple

12,230' 7" p110

2500' 7" HCL80

7" @ 14,780'

5 7/8" Open Hole Completion

5 7/8" >> TD 15,780' +/-

Vendor	Type	Rating
A		
B		
C		

Geology	Formation	Depth (top)
1	Rustler/ Salado	Surface
2	Delaware Mountain Group	2940
3	Bone Spring	6990
4	Wolfcamp	9930
5	Strawn	11950
6	Atoka	12260
7	Barnett	12870
8	Morrow	13720
9	Mississippian Lime	14250
10	Woodford Shale	14640
11	Siluro-Devonian	14780

Production Equip			
Type of lift		Depth	
Items	Length	ID	OD
#NAME?			
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			

Cypress SWD Drilling Plan

1. **Location:**

Legal: 1590' FSL 165' FWL Unit I (NW/4, SW/4) Section 34, Township 23 S, Range 29E

Eddy County, New Mexico

GPS Coordinates: 32.2584056° -103.9805056°

O&G Lease #: NMNM 019848

2. **Elevation Above Sea Level: 3,006'**

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

4. **Proposed Drilling Depth: 15,780'**

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

Formation	Estimated Top (feet)	Bearing
Triassic		<10' of perched water @ 40' BGS
Dewey Lake		
Salado		N/A
Tansil		N/A
Yates		N/A
Capitan		N/A
Delaware Mountain	2940	Hydrocarbons
Bone Spring	6990	Hydrocarbons
Wolfcamp	9930	Hydrocarbons
Strawn	11950	Hydrocarbons
Atoka	12260	Hydrocarbons
Barnett	12870	Hydrocarbons
Morrow	13720	Hydrocarbons
Mississippian Lime	14250	Hydrocarbons
Woodford Shale	14640	Hydrocarbons
Siluro- Devonian (Target)	14780	N/A
Montoya		N/A
Simpson		N/A
Ellenberger		N/A

6. 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	600'	J55	106.4	LTC	New	1.2	1.125	1.6
1 st Intermediate	17 ½	13 3/8	3,200'	J55	68	LTC	New	1.2	1.125	1.6
2 nd Intermediate	12 ¼	9 5/8	9930'	L80	53.5	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	120-12,230'	P-110	29	LTC	New	1.2	1.125	1.6
Production	8 ½	7	12,230'-14,780'	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	5,000-14,780'	L-80	11.6	LTC	New	1.2	1.125	1.6
Open Hole	5.875		14,780-15,780'	NA	NA	NA	NA			
DVT's	Only DVT planned right now is at 6000'.									

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. 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 14,780', OH Logs (Paragraph 12) will be run 14,780'-9930'' 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-14,780'. The depths from 14,780' to 15,780' 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 14,780' inside the 7". All intervals will be logged prior to running casing per BLM/OCD requirements.

8. **Pressure Controls:** A 10M 13-5/8" BOP system (Double Ram and Annular preventer) and 2 power chokes installed on manifold and 1 manual choke per BLM Onshore Order 2, 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 600' TD**

Surface: Float/Landing Collar set @ 558'. We will circulate cement to surface

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Lead	340	300	100	13.5	1.69	575	Class C + 2% Gel + 0.2% Antifoam + 0.125 lb/sk Polyflake
Tail	500	300	100	14.8	1.33	660	Class C + 0.125 lb/sk Polyflake

First Intermediate: TD @ 1600' Stage 1 Float/Landing Collar set @ 1800. 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 ³ /sx	Volume (ft ³)	Cement Type
Stage 1 Lead	453	800'	100	11.9	2.45	1112	Class C + 2% Sodium Metasilicate + 0.1% Dispersant + 0.2% Antifoam + 0.2% Retarder
Stage 1 Tail	677	600'	100	14.8	1.33	900	Class C + 0.125 lbs/sk Polyflake
Stage 2 Lead	760	1500'	100	11.9	2.45	1862	Class C + 2% Sodium Metasilicate + 0.1% Dispersant + 0.2% Antifoam
Stage 2 Tail	311	300'	100	14.8	1.34	417	Class C + 1% Calcium Chloride + 0.125 lbs/sk Polyflake

Second Intermediate: TD @9930', float collar set at 9888' Stage 1 Float/Landing Collar set @ 6000'

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 6000' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Stage 1 Lead	555	3330	50	11	2.82	1564	TXI + 2% Sodium Metasilicate + 0.2 % Dispersant + 0.2% Antifoam + 0.4% Retarder
Stage 1 Tail	293	600	50	16.4	1.07	314	Class H + 0.3% Retarder + 0.2% Antifoam
Stage 2 Lead	918	5700	50	11.9	2.45	2248	Class C + 2% Sodium Metasilicate + 0.2 % Dispersant + 0.2% Antifoam + 0.4% Retarder
Stage 2 Tail	132	300	50	16.4	1.07	141	Class C + 1% Calcium Chloride + 0.125 lbs/sk Polyflake

Production: Stage 1 Float/Landing Collar set @ 14,780', NO DVT. We will circulate cement to surface.

7" Contingency Cement design as follows:

No DVT planned for this section

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft ³ /sx	Volume (ft ³)	Cement Type
Lead 1	465	8930	30	11.5	2.50	1162	50:50 POZ:H + 0.1 lb/sk D65 Dispersant + 0.3 lb/sk D201 Retarder + 8% D20 Gel + 0.2% D208 Viscosifier + 3 lb/sk D42 Kolite + 0.125 lb/sk D130 Polyflake
Lead 2	644	5250	30	13.5	1.29	831	TXI + 1.5 gal/sk GASBLOK +0.08 gal/sk D80 Dispersant + 0.04 gal/sk D801 Retarder + 0.05 gal/sk D175A Antifoam + 2% D176 Expanding Agent
Tail	105	600	30	16.4	1.09	115	Class H + 0.4% D167 Fluid loss + 0.3% D800 Retarder + 2% D176 Expanding agent

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/1000c c)	Plastic Viscosity (cP)	Yield Point (lb/100f t ²)	API Fluid Loss (cc)	pH	LG S%
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 – 7660	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
7660 – 14,780'		10.1 – 11.5	36 – 44	6 – 14	12 – 18	10 – 12	9.5 – 10.0	<6
14,780' 15,780'	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 15,550 to Intermediate casing and TD-15,550
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:**
15. **H₂S Plan:** Breathing equipment will be available on location. If H₂S is encountered the operator will comply with the Onshore Oil and Gas Order No. 6. The H₂S measured amounts and formation will be reported to the BLM. Please see the attached H₂S Plan and the H₂S 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 work string. TIH, release retrievable bridge plug and pull out of hole. Pick up treating packer. TIH to 14,780' 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 14,780'. 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

LEGEND

- New_Cypress
- 2miBuffer_of_New_Cypress
- .5miBuffer_of_New_Cypress
- Oil & Gas Lease
- NM Mineral Lease
- NM Oil/Gas Lease
- NM Agriculture Lease

Author: MG

0 0.3 0.6 0.9 1.2 Miles

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

R360 Permian Basin, LLC

API #	Operator	Lease	Well #	County	Legal	Total depth (ft)	Well Status
30-015-35073	DEVON ENERGY PRODUCTION COMPANY, LP	LAGUNA SALADO 22 FEDERAL	3H	EDDY	S:22, T:23S, R:29E, UNIT M	6588	ACTIVE OIL
30-015-36137	OXY USA INC	GOODNIGHT 27 FEDERAL	2H	EDDY	S:27, T:23S, R:29E, UNIT L		ACTIVE OIL
30-015-39220	OXY USA INC	GOODNIGHT 27 FEDERAL	3H	EDDY	S:27, T:23S, R:29E, UNIT M	7789	ACTIVE OIL
30-015-39431	OXY USA INC	GOODNIGHT 27 FEDERAL	5H	EDDY	S:27, T:23S, R:29E, UNIT M		ACTIVE OIL
30-015-39142	OXY USA INC	GOODNIGHT 27 FEDERAL	4H	EDDY	S:27, T:23S, R:29E, UNIT N	6661	ACTIVE OIL
30-015-22157	OXY USA INC	GOODNIGHT 27 FEDERAL	1	EDDY	S:27, T:23S, R:29E, UNIT N	10710	ACTIVE OIL
30-015-38287	OXY USA INC	CYPRESS 28 FEDERAL	3H	EDDY	S:28, T:23S, R:29E, UNIT D	7790	ACTIVE OIL
30-015-30113	DEVON ENERGY PRODUCTION COMPANY, LP	COCHITI 28 FEDERAL	1	EDDY	S:28, T:23S, R:29E, UNIT E	10180	ACTIVE SWD
30-015-39330	OXY USA INC	CYPRESS 28 FEDERAL	4H	EDDY	S:28, T:23S, R:29E, UNIT E	7753	ACTIVE OIL
30-015-21636	LAGUNA GANDE, LLC	LAGUNA GRANDE	1	EDDY	S:28, T:23S, R:29E, UNIT I	13700	ACTIVE OIL
30-015-24577	EXXON MOBIL CORPORATION	BLAKEMORE ESTATE FEDERAL	1	EDDY	S:28, T:23S, R:29E, UNIT J		PLUGGED
30-015-37331	OXY USA INC	CYPRESS 28 FEDERAL	2H	EDDY	S:28, T:23S, R:29E, UNIT L	7784	ACTIVE OIL
30-015-37249	OXY USA INC	CYPRESS 28 FEDERAL	1H	EDDY	S:28, T:23S, R:29E, UNIT M	10275	ACTIVE OIL
30-015-41572	OXY USA INC	CYPRESS 28 FEDERAL	5H	EDDY	S:28, T:23S, R:29E, UNIT M		NEW OIL
30-015-41138	OXY USA INC	CYPRESS 28 FEDERAL	6H	EDDY	S:28, T:23S, R:29E, UNIT N	6574	ACTIVE OIL
30-015-43751	OXY USA INC	CYPRESS 33 FEDERAL	9H	EDDY	S:28, T:23S, R:29E, UNIT N		NEW OIL
30-015-41303	OXY USA INC	CYPRESS 28 FEDERAL	7H	EDDY	S:28, T:23S, R:29E, UNIT O		NEW OIL
30-015-42740	CIMAREX ENERGY CO. OF COLORADO	LAGUNA GRANDE UNIT	8H	EDDY	S:29, T:23S, R:29E, UNIT A		NEW OIL
30-015-23414	CIMAREX ENERGY CO. OF COLORADO	LAGUNA GRANDA UNIT	3	EDDY	S:29, T:23S, R:29E, UNIT J	13690	ACTIVE GAS
30-015-39345	NADEL AND GUSSMAN PERMIAN, LLC	MACHO GRANDE STATE	1H	EDDY	S:32, T:23S, R:29E, UNIT A	7729	ACTIVE OIL
30-015-42659	NADEL AND GUSSMAN PERMIAN, LLC	MACHO GRANDE STATE	2H	EDDY	S:32, T:23S, R:29E, UNIT A		NEVER DRILLED
30-015-31910	NADEL AND GUSSMAN PERMIAN, LLC	GRANDE STATE	1	EDDY	S:32, T:23S, R:29E, UNIT C	12500	ACTIVE OIL
30-015-37308	OXY USA INC	CYPRESS 33 FEDERAL	2H	EDDY	S:33, T:23S, R:29E, UNIT A	11400	ACTIVE OIL
30-015-40768	OXY USA INC	CYPRESS 33 FEDERAL COM	5H	EDDY	S:33, T:23S, R:29E, UNIT A	8737	ACTIVE OIL
30-015-41557	OXY USA INC	CYPRESS 33 FEDERAL COM	6H	EDDY	S:33, T:23S, R:29E, UNIT A	8744	ACTIVE OIL
30-015-42616	OXY USA INC	CYPRESS 33 FEDERAL COM	7H	EDDY	S:33, T:23S, R:29E, UNIT C	8738	ACTIVE OIL
30-015-43075	OXY USA INC	CYPRESS 33 FEDERAL COM	8H	EDDY	S:33, T:23S, R:29E, UNIT D		NEW OIL
30-015-37368	OXY USA INC	CYPRESS 33 FEDERAL	4H	EDDY	S:33, T:23S, R:29E, UNIT H	7702	ACTIVE OIL
30-015-36987	OXY USA INC	CYPRESS 33 FEDERAL	3H	EDDY	S:33, T:23S, R:29E, UNIT I	11980	ACTIVE OIL
30-015-36321	OXY USA INC	CYPRESS 33 FEDERAL	1H	EDDY	S:33, T:23S, R:29E, UNIT P	11694	ACTIVE OIL
30-015-35693	OXY USA INC	CYPRESS 34 FEDERAL	5	EDDY	S:34, T:23S, R:29E, UNIT C	10875	ACTIVE OIL
30-015-42920	OXY USA INC	CYPRESS 34 FEDERAL	11H	EDDY	S:34, T:23S, R:29E, UNIT C	8877	ACTIVE OIL
30-015-39219	OXY USA INC	CYPRESS 34 FEDERAL	7H	EDDY	S:34, T:23S, R:29E, UNIT C	6752	ACTIVE OIL
30-015-43076	OXY USA INC	CYPRESS 34 FEDERAL	10H	EDDY	S:34, T:23S, R:29E, UNIT D		NEW OIL
30-015-35742	OXY USA INC	CYPRESS 34 FEDERAL	4H	EDDY	S:34, T:23S, R:29E, UNIT D	10758	ACTIVE OIL
30-015-35413	OXY USA INC	CYPRESS 34 FEDERAL	2H	EDDY	S:34, T:23S, R:29E, UNIT F	11075	ACTIVE OIL

30-015-35692	OXY USA INC	CYPRESS 34 FEDERAL	3H	EDDY	S:34, T:23S, R:29E, UNIT K	11065	ACTIVE OIL
30-015-38366	OXY USA INC	CYPRESS 34 FEDERAL	6H	EDDY	S:34, T:23S, R:29E, UNIT M	6719	ACTIVE OIL
30-015-39430	OXY USA INC	CYPRESS 34 FEDERAL	8H	EDDY	S:34, T:23S, R:29E, UNIT O	8910	ACTIVE OIL
30-015-42088	OXY USA INC	CYPRESS 34 FEDERAL	9H	EDDY	S:34, T:23S, R:29E, UNIT P	8999	ACTIVE OIL
30-015-35053	OXY USA INC	CYPRESS 34 FEDERAL	1	EDDY	S:34, T:23S, R:29E, UNIT P	11759	ACTIVE OIL
30-015-36373	OXY USA INC	GOODNIGHT 35 FEDERAL	2H	EDDY	S:35, T:23S, R:29E, UNIT M	12390	ACTIVE OIL
30-015-31096	OXY USA INC	GOODNIGHT 35 FEDERAL	1C	EDDY	S:35, T:23S, R:29E, UNIT N	11593	PLUGGED
30-015-25653	DEVON ENERGY PRODUCTION COMPANY, LP	H B STATE	1	EDDY	S:2, T:24S, R:29E, UNIT E	14030	APPROVED TA
30-015-32514	DEVON ENERGY PRODUCTION COMPANY, LP	HB 2 STATE	2	EDDY	S:2, T:24S, R:29E, UNIT E	8440	ACTIVE OIL
30-015-32944	DEVON ENERGY PRODUCTION COMPANY, LP	H B 2 STATE	6	EDDY	S:2, T:24S, R:29E, UNIT F	8400	ACTIVE OIL
30-015-32943	DEVON ENERGY PRODUCTION COMPANY, LP	H B 2 STATE	5	EDDY	S:2, T:24S, R:29E, UNIT K	8400	ACTIVE OIL
30-015-32715	DEVON ENERGY PRODUCTION COMPANY, LP	H B 2 STATE	3	EDDY	S:2, T:24S, R:29E, UNIT M	14083	PLUGGED
30-015-39037	DEVON ENERGY PRODUCTION COMPANY, LP	H B 2 STATE	7H	EDDY	S:2, T:24S, R:29E, UNIT M		NEW OIL
30-015-32821	DEVON ENERGY PRODUCTION COMPANY, LP	H B 2 STATE	4	EDDY	S:2, T:24S, R:29E, UNIT N	8401	ACTIVE OIL
30-015-35108	YATES PETROLEUM CORPORATION	KNOLL AOK FEDERAL	2H	EDDY	S:3, T:24S, R:29E, UNIT A	7914	ACTIVE OIL
30-015-03692	PRE-ONGARD WELL	PRE-ONGARD WELL OPERATOR	1	EDDY	S:3, T:24S, R:29E, UNIT F		PLUGGED
30-015-28127	YATES PETROLEUM CORPORATION	KNOLL AOK FEDERAL	1	EDDY	S:3, T:24S, R:29E, UNIT G	8250	ACTIVE OIL
30-015-35907	YATES PETROLEUM CORPORATION	KNOLL AOK FEDERAL	3H	EDDY	S:3, T:24S, R:29E, UNIT H	12230	ACTIVE OIL
30-015-39076	UNIT PETROLEUM CO	HB3 FEDERAL	3H	EDDY	S:3, T:24S, R:29E, UNIT I	9	ACTIVE OIL
30-015-25766	UNIT PETROLEUM CO	H. B. 3 FEDERAL	14	EDDY	S:3, T:24S, R:29E, UNIT J		ACTIVE GAS
30-015-26999	UNIT PETROLEUM CO	H. B. 3 FEDERAL	2	EDDY	S:3, T:24S, R:29E, UNIT N		ACTIVE OIL
30-015-38993	UNIT PETROLEUM CO	HB 3 FEDERAL	4H	EDDY	S:3, T:24S, R:29E, UNIT P	11520	ACTIVE OIL
30-015-37054	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	6H	EDDY	S:4, T:24S, R:29E, UNIT D	645	PLUGGED
30-015-37076	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	6Y	EDDY	S:4, T:24S, R:29E, UNIT D	7780	ACTIVE OIL
30-015-37968	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	10H	EDDY	S:4, T:24S, R:29E, UNIT D	10673	ACTIVE OIL
30-015-37212	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	7H	EDDY	S:4, T:24S, R:29E, UNIT E		NEW OIL
30-015-28577	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	5	EDDY	S:4, T:24S, R:29E, UNIT F	6860	ACTIVE OIL
30-015-37252	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	8H	EDDY	S:4, T:24S, R:29E, UNIT L	12044	ACTIVE OIL
30-015-37407	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL	9H	EDDY	S:4, T:24S, R:29E, UNIT M	12043	ACTIVE OIL
30-015-37786	YATES PETROLEUM CORPORATION	CHEVRON BOT	5H	EDDY	S:5, T:24S, R:29E, UNIT J	12772	ACTIVE OIL
30-015-37931	YATES PETROLEUM CORPORATION	CHEVRON BOT	6H	EDDY	S:5, T:24S, R:29E, UNIT K	13460	ACTIVE OIL
30-015-10223	PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	1	EDDY	S:5, T:24S, R:29E, UNIT L		PLUGGED
30-015-37933	YATES PETROLEUM CORPORATION	CHEVRON BOT	1H	EDDY	S:5, T:24S, R:29E, UNIT L	13912	ACTIVE OIL
30-015-27996	MARALO LLC	COCHITI 5 FEDERAL	1	EDDY	S:5, T:24S, R:29E, UNIT N	12268	PLUGGED
30-015-40754	YATES PETROLEUM CORPORATION	JUNIPER BIP FEDERAL COM	12H	EDDY	S:8, T:24S, R:29E, UNIT A	8782	ACTIVE OIL
30-015-37035	YATES PETROLEUM CORPORATION	BALSAM BNL FEDERAL COM	1H	EDDY	S:8, T:24S, R:29E, UNIT A	7675	ACTIVE OIL
30-015-34063	DEVON ENERGY PRODUCTION COMPANY, LP	H B 10 FEDERAL	4	EDDY	S:10, T:24S, R:29E, UNIT A	8250	ACTIVE OIL
30-015-33836	DEVON ENERGY PRODUCTION COMPANY, LP	H B 10 FEDERAL	5	EDDY	S:10, T:24S, R:29E, UNIT B	8100	ACTIVE OIL
30-015-27366	COG OPERATING LLC	CEDAR CANYON 10 FEDERAL	1	EDDY	S:10, T:24S, R:29E, UNIT C	8025	ACTIVE OIL
30-015-33208	OXY USA INC	RIVER BEND 10 FEDERAL	1	EDDY	S:10, T:24S, R:29E, UNIT E	8000	ACTIVE OIL

30-015-20756	OXY USA INC	RIVER BEND 10 FEDERAL	2	EDDY	S:10, T:24S, R:29E, UNIT F	8123	ACTIVE OIL
30-015-29157	DEVON ENERGY PRODUCTION COMPANY, LP	H B 10 FEDERAL	1	EDDY	S:10, T:24S, R:29E, UNIT H	8290	ACTIVE OIL
30-015-33098	DEVON ENERGY PRODUCTION COMPANY, LP	H B 10 FEDERAL	2	EDDY	S:10, T:24S, R:29E, UNIT J	8150	ACTIVE OIL
30-015-32618	OXY USA INC	HARROUN 10	4	EDDY	S:10, T:24S, R:29E, UNIT K	8000	ACTIVE OIL
30-015-32617	OXY USA INC	HARROUN 10	3	EDDY	S:10, T:24S, R:29E, UNIT L	8004	ACTIVE OIL
30-015-32741	DEVON ENERGY PRODUCTION COMPANY, LP	H B 11 FEDERAL	5	EDDY	S:11, T:24S, R:29E, UNIT C	8497	ACTIVE OIL
30-015-29625	DEVON ENERGY PRODUCTION COMPANY, LP	H B 11 FEDERAL	4	EDDY	S:11, T:24S, R:29E, UNIT D	8505	ACTIVE OIL
30-015-43169	DEVON ENERGY PRODUCTION COMPANY, LP	NEW POTATO 11 FEDERAL COM	1H	EDDY	S:11, T:24S, R:29E, UNIT E	8903	ACTIVE OIL
30-015-43735	DEVON ENERGY PRODUCTION COMPANY, LP	NEW POTATO 11 2 FEDERAL COM	5H	EDDY	S:11, T:24S, R:29E, UNIT E		NEW OIL
30-015-28693	DEVON ENERGY PRODUCTION COMPANY, LP	H B 11 FEDERAL	1	EDDY	S:11, T:24S, R:29E, UNIT E	8508	ACTIVE GAS

.5 mile Radius of Cypress SWD

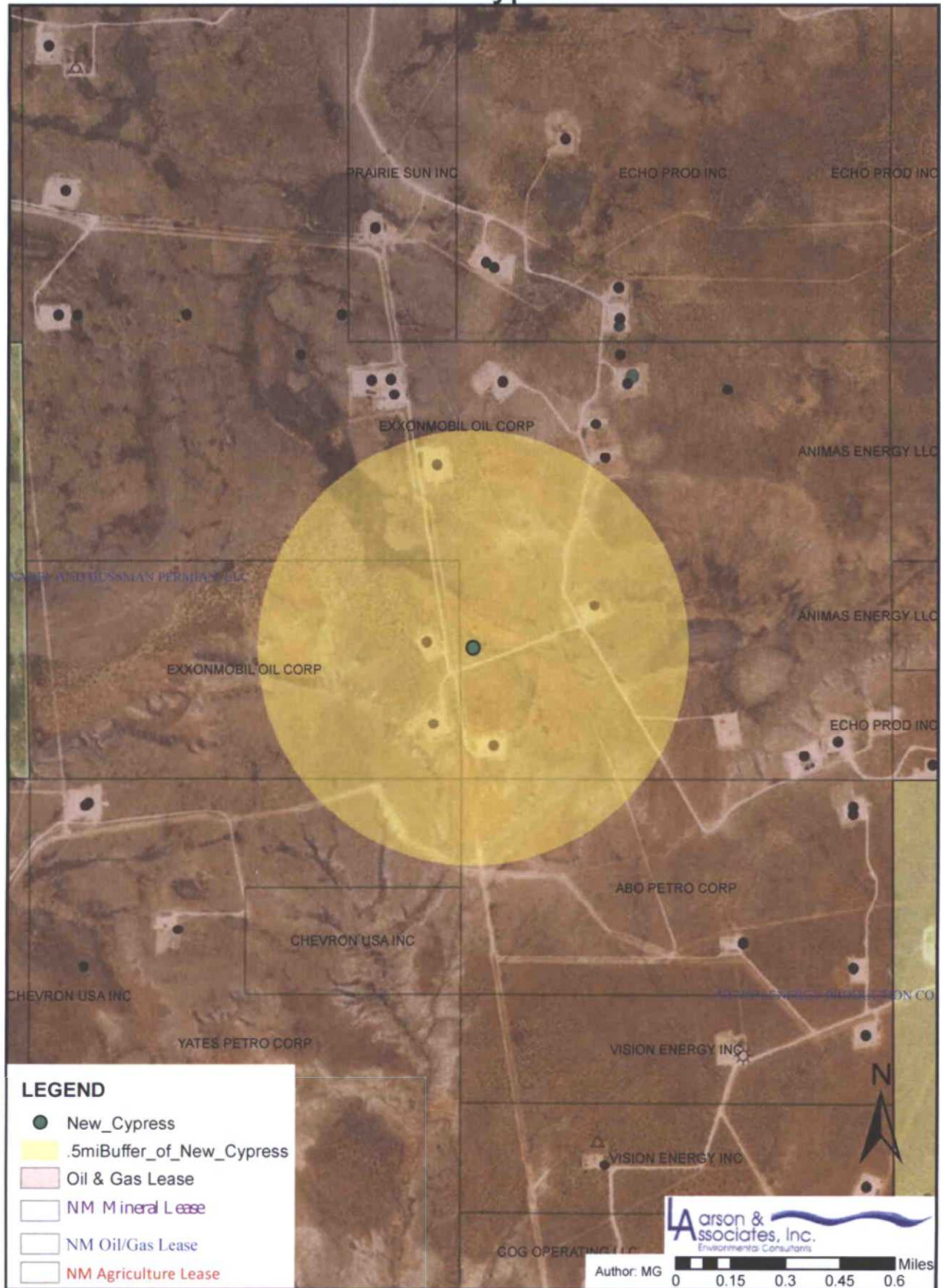


TABLE OF ACTIVE WELLS/ OPERATORS WITHIN THE AREA OF REVIEW OF THE PROPOSED CYPRESS SWD #1

R360 Permian Basin, LLC

API #	Operator	Lease	Well #/County	Legal	Total depth (ft)	Well Status
30-015-37368	OXY USA INC	CYPRESS 33 FEDERAL	4H EDDY	S:33, T:23S, R:29E, UNIT H	7702	ACTIVE OIL
30-015-36987	OXY USA INC	CYPRESS 33 FEDERAL	3H EDDY	S:33, T:23S, R:29E, UNIT I	11980	ACTIVE OIL
30-015-36321	OXY USA INC	CYPRESS 33 FEDERAL	1H EDDY	S:33, T:23S, R:29E, UNIT P	11694	ACTIVE OIL
30-015-35692	OXY USA INC	CYPRESS 34 FEDERAL	3H EDDY	S:34, T:23S, R:29E, UNIT K	11065	ACTIVE OIL
30-015-38366	OXY USA INC	CYPRESS 34 FEDERAL	6H EDDY	S:34, T:23S, R:29E, UNIT M	6719	ACTIVE OIL

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

605-28-1895 cell

mageclaw@midconetwork.com

March 30, 2016

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

Re: Cypress SWD #1 - Relocation
Section 34, T23S, R29E
Eddy County, NM

Dear Mr. Larson:

You asked for an revised Report of "owners" within ½ mile of your proposed Cypress SWD #1 disposal well being permitted in the captioned Section 34.

In this connection I examined the abstract tract records the abstract of title prepared by Schutz Abstract, the records on Basinlandrecords.com (Eddy County); and the public website records of the Bureau of Land Management (BLM); the public website of the New Mexico Oil Conservation Commission (NMOCD).

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 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,

Jack C. Magee

Encl.

Lease: NM 19848 issued 5/1/1974.

Operator

OXY USA, Inc.
P.O. Box 27570
Houston, TX 77227

**SE/4; E/2 SW/4: below 100' below the deepest
producing depth or below the base of the deepest
productive formation.**

Lease: NM 19848 issued 5/1/1974.

Operating Rights Owner

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210

Note:

The base lease NM 19848 was issued on 5/1/1974. On
3/11/1976, this lease was segregated:
* NM 2778: SW/4 SE/4 of Section 20 & N/2 NW/4, SW/4
NW/4 of Section 35
* NM 19848: All other lands remained

On 12/2/1992, NM 19848 was segregated again into:
* NM 86024: W/2 E/2, W/2 of Section 28; N/2 of
Section 33; All of Section 34
* NM 19848: All other lands remained.

E/2; E/2 NW/4; E/2 SW/4

Section 33 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

Section 34, Township 23 South, Range 29 East, NMPM - Eddy County

Surface Owners

W/2, W/2 SE/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

From the surface down to 100' below the deepest producing depth or below the base of the deepest productive formation.

Lease: NM 86024 (segregated from NM 19848 on 12/2/1992)

Operator

OXY USA, Inc.
P.O. Box 27570
Houston, TX 77227

Below 100' below the deepest producing depth or below the base of the deepest productive formation.

Lease: NM 86024 (segregated from NM 19848 on 12/2/1992)

Operator Rights Owner(s)

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210

Note:

The base lease NM 19848 was issued on 5/1/1974. On 3/11/1976, this lease was segregated:
* NM 2778: SW/4 SE/4 of Section 20 & N/2 NW/4, SW/4 NW/4 of Section 35
* NM 19848: All other lands remained

On 12/2/1992, NM 19848 was segregated again into:
* NM 86024: W/2 E/2, W/2 of Section 28; N/2 of Section 33; All of Section 34
* NM 19848: All other lands remained.

W/2, W/2 SE/4

Section 34 is within the federally "Designated Potash Area".

No current Potash lease found of record.

Section 3, Township 24 South, Range 29 East, NMPM - Eddy County

Surface Owners

Lots 3, 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

Lots 3, 4

Lease NM 85891 issued 1/1/1991.

Operator

Myco Industries, Inc.
105 South 4th Street
Artesia, NM 882102

ABO Petroleum Corporation
105 South 4th Street
Artesia, NM 882102

OXY Y-1 Company
105 South 4th Street
Artesia, NM 882102

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 882102

Potash Lessees

W/2

Section 3 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

Section 4, Township 24 South, Range 29 East, NMPM - Eddy County

Surface Owners

Lots 1, 2, 3

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

Oil & Gas Lessees/Operators

Lots 1, 2, 3

Lease NM 99034 issued 9/1/1997

Operator

Myco Industries, Inc.
105 South 4th Street
Artesia, NM 882102

ABO Petroleum Corporation
105 South 4th Street
Artesia, NM 882102

OXY Y-1 Company
105 South 4th Street
Artesia, NM 882102

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 882102

Potash Lessees

W/2

Section 3 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

**CYPRESS SWD #1 - RELOCATION: OWNERS WITHIN 1/2 MILE RADIUS
EDDY COUNTY**

Section 33, Township 23 South, Range 29 East, NMPM - Eddy County

Surface Owners

E/2; E/2 NW/4; E/2 SW/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; E/2 NW/4: from the surface down to 100' below
the deepest producing depth or below the base of the
deepest productive formation.**

Lease: NM 86024 (segregated from NM 19848 on
12/2/1992)

Operator

OXY USA, Inc.
P.O. Box 27570
Houston, TX 77227

**NE/4; E/2 NW/4: below 100' below the deepest
producing depth or below the base of the deepest
productive formation.**

Lease: NM 86024 (segregated from NM 19848 on
12/2/1992)

Operator Rights Owner(s)

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210

Note:

The base lease NM 19848 was issued on 5/1/1974. On
3/11/1976, this lease was segregated:
* NM 2778: SW/4 SE/4 of Section 20 & N/2 NW/4, SW/4
NW/4 of Section 35
* NM 19848: All other lands remained

On 12/2/1992, NM 19848 was segregated again into:
* NM 86024: W/2 E/2, W/2 of Section 28; N/2 of
Section 33; All of Section 34
* NM 19848: All other lands remained.

**SE/4; E/2 SW/4: from the surface down to 100' below
the deepest producing depth or below the base of the
deepest productive formation.**

NM 86024
out of NM 19848

T.23 South - R.29 East
Section 33:E2NW,NE
34: W2

L-H.B.P.
05/01/74

Lessee :

Exxon Mobil Corp.
Box 4358
Houston, TX 77210

RUN SHEET:

Lease NM 19848 issued 5/1/74 to Tim Daly for 10 years with 12.5% royalty to the USA.

Daly

Assign. dated 5/23/74 from Tim & Nancy Daly to Tommy Phipps as trustee for Margene Blakemore Trust as to all lands, reserving an overriding royalty of 1/32 of 8/8.

Assign. dated 8/27/74 from Tommy Phipps, Edwin Magruder, Jr. and Martin L. Allday, Trustees for the Margene Blakemore Estate Trust to Exxon Corp. 100% as to all lands, reserving 7.5% of 8/8, which shall include all existing burdens.

Exxon

Decision of 3/11/76 segregated sec. 20: SWSE, sec. 35: N2NW,SWNW into NM 27728 because this land is not committed to the Laguna Grande unit. Lands remaining in NM 19848 are: sec. 28: W2E2,W2, sec. 29: All, sec. 33: All, sec. 34: All.

Assign. of overriding royalty interest dated 9/28/83 from Tommy Phipps, Edwin H. Magruder, & Martin Allday Trustees of the Margene Blakemore Estate Trust to Alpha Twenty-One Corp. 4.375% of 8/8 as to all lands.

The Laguna Grande Unit was contracted as of 3/27/81, lease NM 19848 covers lands eliminated from the unit area as well as lands inside the unit area.

Assign. of overriding royalty dated 5/30/91 from Alpha Twenty-one Corp. to Primavera Resources Inc. 4.375% of 8/8 as to all lands.

Assign. of overriding royalty dated 5/30/91 from Primavera Resources Inc. to Curtis L. Neeley 5% of 4.375% as to all lands.

Assign. of overriding royalty dated 7/9/92 from Curtis L. Neeley to Curtis L. Neeley Management Trust 5% of 4.375% as to all lands.

Decision of 12/2/92 segregated sec. 28: W2E2,W2, sec. 33: N2, sec. 34: All into NM 86024 because this land is committed to the Laguna Salado South unit agreement. The segregated lease will continue as long as the base lease exists, and so long thereafter as oil or gas is produced in paying quantities.

Royalty assign. dated 5/7/92 (filed at BLM on 6/4/07) from Primavera Resources Inc. to Morris E. Schertz 2% as to all lands.

Royalty assign. dated 1/25/93 (filed at BLM on 6/4/07) from Morris E. & Holly K. Schertz to Rolla R. Hinkle II 1/2 and Rolla R. Hinkle III 1/2 as to all lands 1%.

Decision of 10/24/96 granted a two year extension ending 8/1/96, because the Laguna Salado Unit agreement terminated.

Assign. of oper. rights dated 5/8/97 from Exxon Corp. to Penwell Energy Inc. 100% as to sec. 33: N2, sec. 34: All, no depth specified, reserving 2.5% overriding royalty. N2 33 } Penwell
All 34 }

Assign. of overriding royalty dated 1/22/99 from Penwell Energy Inc. to C. Mark Wheeler .25%, John Thoma .60%, Paul R. Barwis .50%, James E. Geitgey .50%, and Penwell Employee Royalty Pool .15% as to all lands.

Lower Brushy Canyon Herradura Sand well was completed 10/29/98 on NM 86024.

Assign. of oper. rights dated 1/22/99 from Penwell Energy Inc. to Concho Resources Inc. 100% as to all lands, no depth specified. N2 33 } Concho
All 34 }

Assign. of oper. rights dated 3/3/00 from Concho Resources Inc. to Exxon Mobil Corp. (formerly known as Exxon Corp.) 100% as to sec. 33: N2, sec. 34: All. EXXON

Exxon Corp. changed its name to Exxon Mobil Corp. Exxon Mobil Corp

Concho Resources Inc. changed its name to Devon Permian Corp. and merged into Devon Energy Prod. Co. LP.

Royalty assign. dated 7/26/04 from Mary T. Daly to Charles R. Wiggins 1/32 of 8/8 as to all lands. The assignor appears to be a stranger to the title.

Royalty assign. dated 7/29/04 from Charles R. & Deborah Wiggins to Madison M. Hinkle 1/3, Rolla R. Hinkle III 1/3 and Morris E. Schertz 1/3 as to all lands, 2/3 of 3.125% interest. The assignor doesn't appear to own this interest, because he acquired it from a stranger to the title.

Royalty assign. dated 9/20/07 from Morris & Holly Schertz to Cayle A. Schertz 1/2 and Keenan C. Schertz 1/2 as to all lands .300% interest.

Assign. of oper. rights dated 2/29/08 from Pogo Producing Co. LLC to OXY USA Inc. 50% as to sec. 33: N2, sec. 34: All from the surface to 100' below the deepest producing depth or below the base of the deepest productive formation. Assignor appears to own no interest.

Assign. of oper. rights dated 11/21/08 from Pogo Producing Co. LLC to OXY USA Inc. 50% as to sec. 33: N2, sec. 34: All from the surface to 100' below the deepest producing depth or below the base of the deepest productive formation. Assignor appears to own no interest.

Assign. of overriding royalty dated 3/2/10 from Rolla R. Hinkle III and Rosemary Hinkle to Compound Properties LLC 81.5288%, Brian T. Grooms 10%, and Woody W. Wall & Marla Wall 8.47113% as to all lands, 1/3 of 2/3 of 3.125% (.0069444). The assignor only appeared to own .5%.

Committed to com. agreement NMNM 130318 as to all producible hydrocarbons from the Bone Spring formation in sec. 33: E2E2.

OXY USA Inc.: Cypress 33 Federal Com. 5H was completed 3/20/13 on sec. 33: NENE.

Committed to com. agreement NMNM 135244 as to all producible hydrocarbons from the Bone Spring formation as to sec. 33: W2E2.

OXY USA Inc.: Cypress 33 Fed. Com 6H was completed 1/2/14 on sec. 33.

OPERATING RIGHTS:

Exxon Mobil Corp.

100%

P.O. Box 2305
Houston, TX 77252

OVERRIDING ROYALTY:

Tim & Nancy Daly 2545 Wallace St. Oakland, CA 94606	3.125%
Primavera Resources Inc. 4040 Broadway, Ste. 419 San Antonio, TX 78209	2.15625%
Curtis Neely Mgmt. Trust 200 W. Illinois Midland, TX 79701	.21875%
Morris E. Schertz P.O. Drawer 2588 Roswell, NM 88202	.7%
Rolla R. Hinkle II P.O. Box 59 Roswell, NM 88202	.5%
Rolla R. Hinkle III P.O. Box 59 Roswell, NM 88202	.5%
Cayle A. Schertz P.O. Box 2588 Roswell, NM 88202	.15%
Keenan C. Schertz P.O. Box 2588 Roswell, NM 88202	.15%
Lessee	2.5%
C. Mark Wheeler 3001 Northtown Place Midland, TX 79705	.25%
John Thoma 213 Mesquite Dr. Graford, TX 76449	.60%
Paul R. Barwis 2201 Southampton Lane Midland, TX 79705	.50%
James E. Geltgey 2407 Bellechase Court Midland, TX 79705	.50%
Penwell Employee Royalty Pool 600 N. Marienfeld, Ste. 1100 Midland, TX 79701	.15%

*note:

Royalty assign. dated 7/26/04 from Mary T. Daly to Charles R. Wiggins 1/32 of 8/8 as to all lands. The assignor might be an heir of Tim & Nancy Daly, but there is no chain-of-title filed of record into Mary T. Daly.

Royalty assign. dated 7/29/04 from Charles R. & Deborah Wiggins to Madison M. Hinkle 1/3, Rolla R. Hinkle III 1/3 and Morris E. Schertz 1/3 as to all lands, 2/3 of 3.125% interest. The assignor doesn't appear to own this interest, because he acquired it from a stranger to the title.

Assign. of overriding royalty dated 3/2/10 from Rolla R. Hinkle III and Rosemary Hinkle to Compound Properties LLC 81.5288%, Brian T. Grooms 10%, and Woody W. Wall & Marla Wall 8.47113% as to all lands, 1/3 of 2/3 of 3.125% (.0069444). The assignor only appeared to own .5%.

12.5% Royalty to U.S.A

Notes:

NM 19848

T.23 South - R.29 East
Section 33:E2SW,SE

L-H.B.P.
05/01/74

Lessee :

Exxon Mobil Corp.
P.O. Box 4358
Houston, TX 77210

RUN SHEET:

Lease NM 19848 issued 5/1/74 to Tim Daly for 10 years with 12.5% royalty to the USA.

Assign. dated 5/23/74 from Tim & Nancy Daly to Tommy Phipps as trustee for Margene Blakemore Trust as to all lands, reserving an overriding royalty of 1/32 of 8/8.

Assign. dated 8/27/74 from Tommy Phipps, Edwin Magruder, Jr. and Martin L. Allday, Trustees for the Margene Blakemore Estate Trust to Exxon Corp. 100% as to all lands, reserving 7.5% of 8/8, which shall include all existing burdens.

Decision of 3/11/76 segregated sec. 20: SWSE, sec. 35: N2NW,SWNW into NM 27728 because this land is not committed to the Laguna Grande unit. Lands remaining in NM 19848 are: sec. 28: W2E2,W2, sec. 29: All, sec. 33: All, sec. 34: All.

Assign. of overriding royalty interest dated 9/28/83 from Tommy Phipps, Edwin H. Magruder, & Martin Allday Trustees of the Margene Blakemore Estate Trust to Alpha Twenty-One Corp. 4.375% of 8/8 as to all lands.

The Laguna Grande Unit was contracted as of 3/27/81, lease NM 19848 covers lands eliminated from the unit area as well as lands inside the unit area.

Santa Fe Energy Operating Partners LP No. 1 Laguna Salado South Unit was completed 2/26/91 on sec. 22: SENW.

Assign. of overriding royalty dated 5/30/91 from Alpha Twenty-One Corp. to Primavera Resources Inc. 4.375% of 8/8 as to all lands.

Assign. of overriding royalty dated 5/30/91 from Primavera Resources Inc. to Curtis L. Neeley 5% of 4.375% as to all lands.

Royalty assign. dated 5/7/92 (filed at BLM on 6/4/07) from Primavera Resources Inc. to Morris E. Schertz 2% as to all lands.

Assign. of overriding royalty dated 7/9/92 from Curtis L. Neeley to Curtis L. Neeley Management Trust 5% of 4.375% as to all lands.

Decision of 12/2/92 segregated sec. 28: W2E2,W2, sec. 33: N2, sec. 34: All into NM 86024 because this land is committed to the Laguna Salado South unit agreement. The segregated lease will continue as long as the base lease exists, and so long thereafter as oil or gas is produced in paying quantities. The base lease, NM 19848, is in its extended term by production from the Laguna Grande Unit.

Royalty assign. dated 1/25/93 from Morris & Holly Schertz to Rolla R. Hinkle II 1/2 and Rolla R. Hinkle III 1/2 as to all lands, 1%.

Assign. of oper. rights dated 5/8/97 from Exxon Corp. to Penwell Energy

Inc. 100% as to sec. 33: S2, reserving 2.5% overriding royalty.

Assign. of overriding royalty dated 1/22/99 from Penwell Energy Inc. to C. Mark Wheeler .25%, John Thoma .60%, Paul R. Barwis .50%, James E. Geitgey .50% and Penwell Employee Royalty Pool .15% as to sec. 33: S2.

Assign. of oper. rights dated 1/22/99 from Penwell Energy Inc. to Concho Resources Inc. 100% as to sec. 33: S2, no depth specified.

Assignment of oper. rights dated 3/3/2000 from Concho Resources Inc. to Exxon Mobil Corp. sec. 33: S2 100%.

Mobil Corp. merged with an existing Exxon subsidiary. Once this merger is recognized, Mobil Corp. will become a subsidiary of Exxon Mobil Corp. Exxon Corp. changed their name to Exxon Mobil Corp.

Royalty assign. dated 9/20/07 from Morris & Holly Schertz to Cayle A. Schertz 1/2 and Keenan C. Schertz 1/2 as to all lands .30% interest.

Assign. of operating rights dated 2/29/08 from Pogo Producing Co. LLC to OXY USA Inc. 50% as to sec. 33: S2 from surface to 100' below the deepest producing perforation depth or below the base of the deepest productive formation. Assignor appears to own no interest.

Assign. of operating rights dated 11/21/08 from Pogo Producing Co. LLC to OXY USA Inc. 50% as to sec. 33: S2 from surface to 100' below the deepest producing perforation depth or below the base of the deepest productive formation. Assignor appears to own no interest.

Royalty assignment dated 3/2/10 from Rolla R. Hinkle III & Rosemary Hinkle to Compound Properties LLC 81.52887%, Brian T. Grooms 10% and Woody W. Wall & Marla Wall 8.47113% as to all lands, 1/3 of 2/3 of 3.125% (.006944). The assignor only appeared to own .5%.

Committed to com. agreement NMNM 130318 as to all producible hydrocarbons from the Bone Spring formation in sec. 33: E2E2.

OXY USA Inc., Cypress 33 Federal Com. 5H was completed 3/20/13 on sec. 33; NENE.

Committed to com. agreement NMNM 135244 as to all producible hydrocarbons from the Bone Spring formation in sec. 33: W2E2.

OXY USA Inc., Cypress 33 Fed. Com. 6H was completed 1/2/14 on sec. 33.

OPERATING RIGHTS:

Lessee	100%
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OVERRIDING ROYALTY:

Tim & Nancy Daly 2545 Wallace St. Oakland, CA 94606	3.125%
---	--------

Primavera Resources 4040 Broadway, Ste. 419	2.1565%
--	---------

San Antonio, TX 78209

Curtis Neely Mgmt. Trust .21875%
200 W. Illinois
Midland, TX 79701

Morris E. Schertz .7%
P.O. Drawer 2588
Roswell, NM 88202

Rolla R. Hinkle II .5%
P.O. Box 59
Roswell, NM 88202

Rolla R. Hinkle III .5%
P.O. Box 59
Roswell, NM 88202

Cayle A. Schertz .15%
P.O. Box 2588
Roswell, NM 88202

Keenan C. Schertz .15%
P.O. Box 2588
Roswell, NM 88202

C. Mark Wheeler .25%
3001 Northtown Place
Midland, TX 79705

John Thoma .60%
213 Mesquite Dr.
Graford, TX 76449

Paul R. Barwis .50%
2201 Southampton Lane
Midland, TX 79705

James E. Geitgey .50%
2407 Bellechase Court
Midland, TX 79705

Penwell Employee Royalty Pool .15%
600 N. Marienfeld, Ste. 1100
Midland, TX 79701

The following assignment is filed of record however the assignor doesn't
appear to own the amount being conveyed:

Royalty Assignment datd 3/2/10 from Rolla R. Hinkle III & Rosemary Hinkle
to Compound Properties LLC 81.52887%, Brian T. Grooms 10% and Woody W. Wall
& Marla Wall 8.47113% as to all lands, 1/3 of 2/3 of 3.125% (.006944). The
assignor only appeared to own .5%

12.5% Royalty to U.S.A

Notes:

SCHUTZ ABSTRACT CO., INC.

P.O. BOX 973

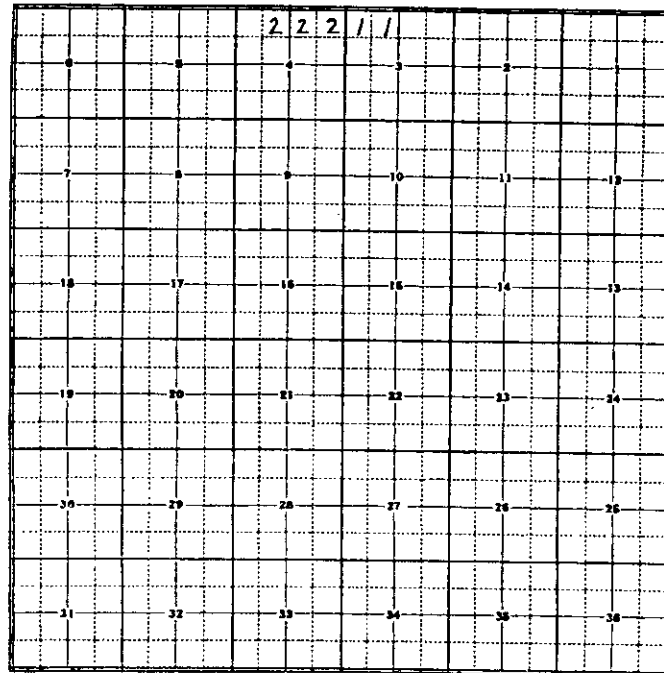
(505) 982-0130

SANTA FE, NEW MEXICO 87504

T. 24 South R. 29 East

Eddy County

8/11/15



RED - STATE LAND
BLUE - FEE LAND

1. NM 85891

2. NM 99034

AUG 11 1995

NM 85891

T.24 South - R.29 East
Section 03:LOTS 3,4

L-H.B.P.
01/01/91

Lessee :

Myco Industries Inc. 105 S. 4th St. Artesia, NM 88210	32%
ABO Petroleum Corp. 105 S. 4th St. Artesia, NM 88210	32%
OXY Y-1 Company P.O. Box 27570 Houston, TX 77227	12%
Yates Petroleum Corp. 105 S. 4th St. Artesia, NM 88210	24%

RUN SHEET:

Competitive lease NM 85891 issued 1/1/91 to Yates Petroleum Corp. 4%, Yates Drilling Co. 32%, ABO Petroleum Corp. 32%, and Myco Industries Inc. 32% for 5 years with 12.5% royalty to the USA.

Yates Petroleum Corp. 1-Knoll AOK Federal was completed 12/7/94.

Letter of 1/21/2000 stated that the royalty rate was reduced to 5.3% effective 9/1/98, due to the stripper royalty rate reduction program.

Letter of 4/25/07 stated that the royalty rate was reduced to 4.5% effective 11/1/03 to 10/31/04, due to the stripper royalty rate reduction program.

Assign. of record title dated 5/21/08 from Yates Drilling Co. to Yates Petroleum Corp. 20% as to all lands, reserving 7.5% ORRI.

Letter of 5/5/09 stated that the royalty rate was reduced to 3.7% effective 12/1/04 to 11/30/05, due to the stripper royalty rate reduction program.

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

OPERATING RIGHTS:

Lessees	100%
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OVERRIDING ROYALTY:

OXY Y-1 Company P.O. Box 27570 Houston, TX 77227	7.5% of 20%
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12.5% Royalty to U.S.A

Notes:

NM 99034

T.24 South - R.29 East
Section 04:LOTS 1-3

L-H.B.P
9/1/1997

Lessee :

OXY Y-1 Company P.O. Box 27570 Houston, TX 77227	20%
ABO Petroleum Corp. 105 S. 4th St. Artesia, NM 88210	20%
Myco Industries Inc. P.O. Box 840 Artesia, NM 88211	20%
Yates Petroleum Corp. 105 S. 4th St. Artesia, NM 88210	40%

RUN SHEET:

Competitive lease NM 99034 issued 9/1/97 to Yates Petroleum Corp. 40%, Yates Drilling Co. 20%, ABO Petroleum Corp. 20% and Myco Industries Inc. 20% for ten years with 12.5% royalty.

A suspension of operations and production was granted for 10 days because a drilling rig was not available. After the suspension was approved, Yates was able to procure a rig and recommenced operations on 8/30/07. Yates completed drilling and had moved the rig off of the well site on 9/7/07. As it turned out, the suspension was not necessary.

Yates Petroleum Corp./Juniper BIP Federal 5 was completed 2/21/08 on sec. 4: SENW.

Decision of 6/30/08 granted a two yr. extension to the lease because of actual drilling operations conducted over the expiration date. A 10 day suspension of operations was approved 8/30/07 and was deemed not necessary. The suspension operations is hereby revoked.

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

Committed to com. agreement NMNM 130256 as to all producible hydrocarbons from the Bone Spring formation in sec. 9: S2N2.

Yates Petroleum Corp: Juniper BIP Fed 12H was completed 3/18/13 on sec. 8: NENE.

OPERATING RIGHTS:

Lessees	100%
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OVERRIDING ROYALTY:

None filed of record.

12.5% Royalty to U.S.A

Notes:

SCHUTZ ABSTRACT CO., INC.

P.O. BOX 973

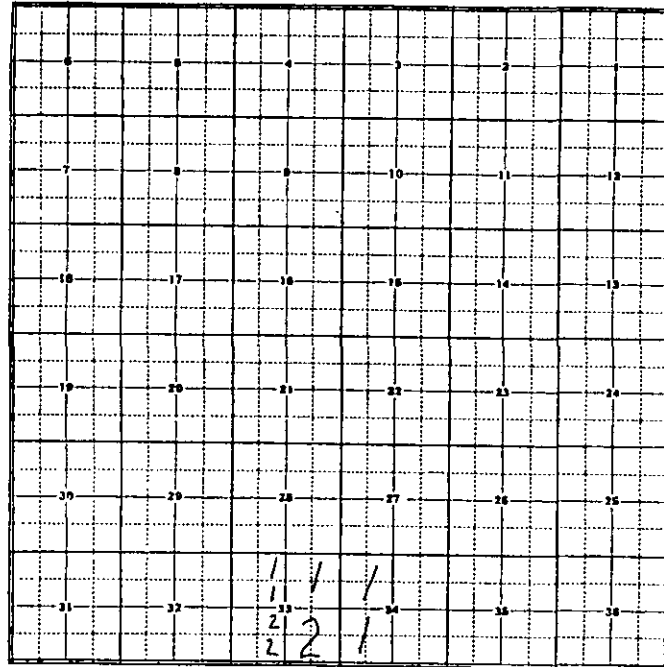
(505) 982-0130

SANTA FE, NEW MEXICO 87504

T. 23 South R. 29 East

Eddy County

8/5/15



RED - STATE LAND
BLUE - FEE LAND

1. NM 86024

2. NM 19848

ATTACHMENT VI

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

ATTACHMENT VII

Operation Summary

Well: Cypress SWD #1

Location: 1590' FSL and 165' FWL

Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East,
Eddy 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. There are five wells that exist within the ½-mile AOR of the proposed well but they do not penetrate the injection zone. Two wells penetrating the injection interval (Cedar Canyon #1 [30-015-20607] and Remuda Basin Unit #1 [30-015-03691]) were reviewed to evaluate the reservoir quality for the proposed injection interval. The Cedar Canyon #1 well, drilled by BK Exploration Corporation, is located about 2.7 miles south of the proposed Cypress SWD #1 well, in Unit P (SE/4, SE/4), Section 9, Township 24 South, Range 29 East, in Eddy County, New Mexico. The Remuda Basin Unit #1 well, drilled by the BOPCO, L.P., is located approximately 4 miles northeast of the proposed Cypress SWD #1 well, in Unit J (NW/4, SE/4), Section 24, Township 23 South, Range 29 East, in Eddy County, New Mexico. The Cedar Canyon #1 well was drilled to 15,488 feet (TD). 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 (Cedar Canyon #1) that was drilled about 2.7 miles south of the proposed Cypress SWD #1 in Unit P (SE/4, SE/4), Section 9, Township 24 South and Range 29 East (Nicholson and Clebsch, 1961). The well was drilled a total depth (TD) of 15,488 feet. Figure 1 presents a type log based on rock descriptions from the Cedar Canyon #1 well.

The proposed SWD well is located in the Delaware Basin south of the Capitan Reef Complex and about three miles east of the Pecos River. The area is underlain by a thin layer of Quaternary-age alluvium consisting of sand, silty sand and clay that rests unconformably on Triassic-age red bed (clay, mudstone, etc.) of the Dewey Lake formation.

Permian-age rocks have a collective thickness of about 12,000 feet and underlie the Triassic-age rocks. The Permian formations include, in descending order, the Rustler, Salado, Castile, Capitan, Delaware Mountain Group (Bell Canyon, Cherry Canyon and Brushy Canyon formations), Bone Springs Limestone and Wolfcamp Shale.

The Rustler occurs between about 500 and 1000 feet and is composed chiefly of anhydrite, dolomite, 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 Permian-age Capitan formation, also known as the Capitan aquifer, is not present at this location.

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 3,000 to 6,700 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 7,000 and 10,000 feet near the Cypress 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 shale between approximately 10,000 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 1,500 feet between about 12,000 and 13,700 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 600 and 850 feet thick, respectively. The Atoka formation is composed of 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 900 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 14,600 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 14,800 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.

Figure 1: presents a type log based on a test well (Cedar Canyon #1) that was drilled to 15,488 feet (TD). The well was drilled about 2.7 miles south of the proposed Cypress SWD #1 in Unit P (SE/4, SE/4), Section 9, Township 24 South and Range 29 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 Cedar Canyon #1 and Remuda Basin #1 located in Unit J (NW/4, SE/4), Section 24, Township 23 South, Range 29 East, a distance of about 6 miles. 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.

Groundwater Summary

The Cypress SWD #1 is located about three miles east of the Pecos River in the north central part of the Delaware Basin. Groundwater occurs in the Permian-age Rustler formations. Groundwater in the Rustler formation occurs in the Culebra Member dolomite beds in the upper part and gypsum beds near the base of the formation. The Culebra Member dolomite acts as the principal aquifer in the area and it is considered a brine aquifer. Groundwater from the lower part of the Rustler formation is generally very saline to saturated brine due to the confining salt bed of the Salado Formation. However, near the Cypress SWD water quality is generally poor due to elevated levels of sodium, chloride and sulfate.

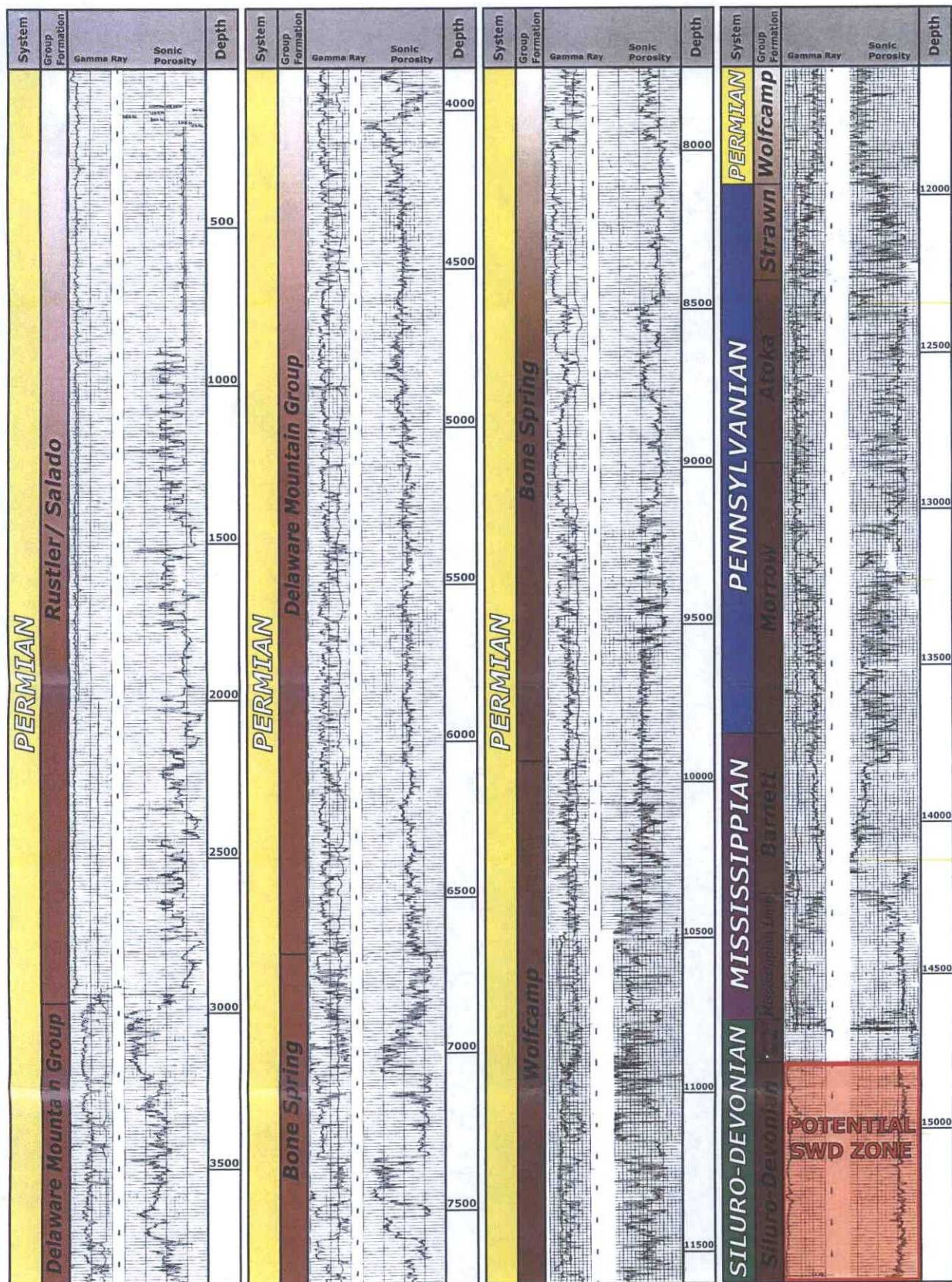
According to records from the New Mexico Office of the State Engineer and a water report composed by Geosearch, one well is located within 1-mile of the Cypress SWD well.

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
- Hendrickson, G.E., and Jones, R.S., Geology and Groundwater Resources of Eddy County, New Mexico. In: Ground-Water Report 3, 1952. U.S. Geological Survey, State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining and Technology, Campus Station, Socorro, New Mexico.

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

BK Exploration Corporation Cedar Canyon #1
Sec. 9, T-20-S, R-29-E Eddy County, New Mexico



Cypress SWD Well # 1

Eddy County, New Mexico

Type Log

SW

A

A'

NE

DST:
14,698'- 15,500'
Op 6',
GTS 190" TSTM
Rec 75 BXW,
75 BDF

DATUM
Siluro-Devonian

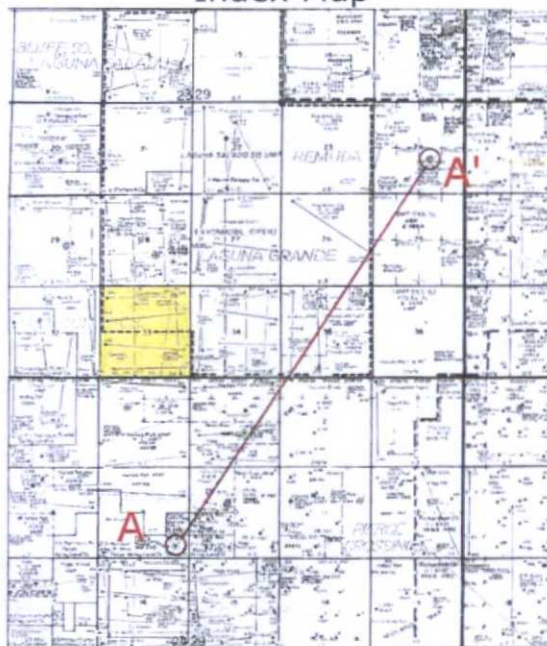
DST:
Op 60",
Rec 110' DF,
3000' WB

Perf:
SWB Blk Sol Wtr
@ 8 BPH

DEPTH	LOG	DATE	WELL	WELL	WELL
14,698'	14,698'	14,698'	14,698'	14,698'	14,698'
15,500'	15,500'	15,500'	15,500'	15,500'	15,500'
16,000'	16,000'	16,000'	16,000'	16,000'	16,000'
17,000'	17,000'	17,000'	17,000'	17,000'	17,000'
18,000'	18,000'	18,000'	18,000'	18,000'	18,000'
19,000'	19,000'	19,000'	19,000'	19,000'	19,000'
20,000'	20,000'	20,000'	20,000'	20,000'	20,000'
21,000'	21,000'	21,000'	21,000'	21,000'	21,000'
22,000'	22,000'	22,000'	22,000'	22,000'	22,000'
23,000'	23,000'	23,000'	23,000'	23,000'	23,000'
24,000'	24,000'	24,000'	24,000'	24,000'	24,000'
25,000'	25,000'	25,000'	25,000'	25,000'	25,000'
26,000'	26,000'	26,000'	26,000'	26,000'	26,000'
27,000'	27,000'	27,000'	27,000'	27,000'	27,000'
28,000'	28,000'	28,000'	28,000'	28,000'	28,000'
29,000'	29,000'	29,000'	29,000'	29,000'	29,000'
30,000'	30,000'	30,000'	30,000'	30,000'	30,000'
31,000'	31,000'	31,000'	31,000'	31,000'	31,000'
32,000'	32,000'	32,000'	32,000'	32,000'	32,000'
33,000'	33,000'	33,000'	33,000'	33,000'	33,000'
34,000'	34,000'	34,000'	34,000'	34,000'	34,000'
35,000'	35,000'	35,000'	35,000'	35,000'	35,000'
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38,000'	38,000'	38,000'	38,000'	38,000'	38,000'
39,000'	39,000'	39,000'	39,000'	39,000'	39,000'
40,000'	40,000'	40,000'	40,000'	40,000'	40,000'
41,000'	41,000'	41,000'	41,000'	41,000'	41,000'
42,000'	42,000'	42,000'	42,000'	42,000'	42,000'
43,000'	43,000'	43,000'	43,000'	43,000'	43,000'
44,000'	44,000'	44,000'	44,000'	44,000'	44,000'
45,000'	45,000'	45,000'	45,000'	45,000'	45,000'
46,000'	46,000'	46,000'	46,000'	46,000'	46,000'
47,000'	47,000'	47,000'	47,000'	47,000'	47,000'
48,000'	48,000'	48,000'	48,000'	48,000'	48,000'
49,000'	49,000'	49,000'	49,000'	49,000'	49,000'
50,000'	50,000'	50,000'	50,000'	50,000'	50,000'
51,000'	51,000'	51,000'	51,000'	51,000'	51,000'
52,000'	52,000'	52,000'	52,000'	52,000'	52,000'
53,000'	53,000'	53,000'	53,000'	53,000'	53,000'
54,000'	54,000'	54,000'	54,000'	54,000'	54,000'
55,000'	55,000'	55,000'	55,000'	55,000'	55,000'
56,000'	56,000'	56,000'	56,000'	56,000'	56,000'
57,000'	57,000'	57,000'	57,000'	57,000'	57,000'
58,000'	58,000'	58,000'	58,000'	58,000'	58,000'
59,000'	59,000'	59,000'	59,000'	59,000'	59,000'
60,000'	60,000'	60,000'	60,000'	60,000'	60,000'
61,000'	61,000'	61,000'	61,000'	61,000'	61,000'
62,000'	62,000'	62,000'	62,000'	62,000'	62,000'
63,000'	63,000'	63,000'	63,000'	63,000'	63,000'
64,000'	64,000'	64,000'	64,000'	64,000'	64,000'
65,000'	65,000'	65,000'	65,000'	65,000'	65,000'
66,000'	66,000'	66,000'	66,000'	66,000'	66,000'
67,000'	67,000'	67,000'	67,000'	67,000'	67,000'
68,000'	68,000'	68,000'	68,000'	68,000'	68,000'
69,000'	69,000'	69,000'	69,000'	69,000'	69,000'
70,000'	70,000'	70,000'	70,000'	70,000'	70,000'
71,000'	71,000'	71,000'	71,000'	71,000'	71,000'
72,000'	72,000'	72,000'	72,000'	72,000'	72,000'
73,000'	73,000'	73,000'	73,000'	73,000'	73,000'
74,000'	74,000'	74,000'	74,000'	74,000'	74,000'
75,000'	75,000'	75,000'	75,000'	75,000'	75,000'
76,000'	76,000'	76,000'	76,000'	76,000'	76,000'
77,000'	77,000'	77,000'	77,000'	77,000'	77,000'
78,000'	78,000'	78,000'	78,000'	78,000'	78,000'
79,000'	79,000'	79,000'	79,000'	79,000'	79,000'
80,000'	80,000'	80,000'	80,000'	80,000'	80,000'
81,000'	81,000'	81,000'	81,000'	81,000'	81,000'
82,000'	82,000'	82,000'	82,000'	82,000'	82,000'
83,000'	83,000'	83,000'	83,000'	83,000'	83,000'
84,000'	84,000'	84,000'	84,000'	84,000'	84,000'
85,000'	85,000'	85,000'	85,000'	85,000'	85,000'
86,000'	86,000'	86,000'	86,000'	86,000'	86,000'
87,000'	87,000'	87,000'	87,000'	87,000'	87,000'
88,000'	88,000'	88,000'	88,000'	88,000'	88,000'
89,000'	89,000'	89,000'	89,000'	89,000'	89,000'
90,000'	90,000'	90,000'	90,000'	90,000'	90,000'
91,000'	91,000'	91,000'	91,000'	91,000'	91,000'
92,000'	92,000'	92,000'	92,000'	92,000'	92,000'
93,000'	93,000'	93,000'	93,000'	93,000'	93,000'
94,000'	94,000'	94,000'	94,000'	94,000'	94,000'
95,000'	95,000'	95,000'	95,000'	95,000'	95,000'
96,000'	96,000'	96,000'	96,000'	96,000'	96,000'
97,000'	97,000'	97,000'	97,000'	97,000'	97,000'
98,000'	98,000'	98,000'	98,000'	98,000'	98,000'
99,000'	99,000'	99,000'	99,000'	99,000'	99,000'
100,000'	100,000'	100,000'	100,000'	100,000'	100,000'

DST:
3,000' WB,
Op 70", Rec
3,000' WB,
8,400' XW

Index Map



Cypress
SWD Well #1

Eddy County, New Mexico
Stratigraphic Cross Section

Larson &
Associates, Inc.
Environmental Consultants

FIGURE 2: GEOLOGICAL CROSS SECTION



On time. On target. In touch.™

Water Well Report

<http://www.geo-search.net/QuickMap/index.htm?DataID=Standard0000114588>

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

Target Property:

Cypess SWD

Loving, Eddy County, New Mexico 88256

Prepared For:

Larson & Associates

Order #: 52476

Job #: 114588

Project #: 15-0126-00

PO #: 1703

Date: 07/22/2015

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

TARGET PROPERTY SUMMARY

Cypess SWD

Loving, Eddy County, New Mexico 88256

USGS Quadrangle: **Remuda Basin, NM**

Target Property Geometry: **Point**

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

(-103.982878, 32.260303)

County/Parish Covered:

Eddy (NM)

Zipcode(s) Covered:

Loving NM: 88256

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).

Disclaimer - The information provided in this report was obtained from a variety of public sources. GeoSearch cannot ensure and makes no warranty or representation as to the accuracy, reliability, quality, errors occurring from data conversion or the customer's interpretation of this report. This report was made by GeoSearch for exclusive use by its clients only. Therefore, this report may not contain sufficient information for other purposes or parties. GeoSearch and its partners, employees, officers and independent contractors cannot be held liable for actual, incidental, consequential, special or exemplary damages suffered by a customer resulting directly or indirectly from any information provided by GeoSearch.

GeoSearch

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

DATABASE FINDINGS SUMMARY

DATABASE	ACRONYM	LOCA- TABLE	UNLOCA- TABLE	SEARCH RADIUS (miles)
FEDERAL				
UNITED STATES GEOLOGICAL SURVEY NATIONAL WATER INFORMATION SYSTEM	NWIS	0	0	1.0000
SUB-TOTAL		0	0	

STATE (NM)				
WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE WATERS SYSTEM		1	0	1.0000
SUB-TOTAL		1	0	

TOTAL		1	0	
-------	--	---	---	--

GeoSearch

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LOCATABLE DATABASE FINDINGS

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

TOTAL	0	0	0	0	1	0	1
-------	---	---	---	---	---	---	---

NOTES:

NS = NOT SEARCHED

TP/AP = TARGET PROPERTY/ADJACENT PROPERTY

GeoSearch

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This topographic map shows the area around Hanksville, Utah. A large black circle with a 1-mile radius is centered on Hanksville. The map features contour lines indicating elevation, with labels such as 2985, 3000, 3020, 3040, 3060, 3080, 3100, 3120, 3140, 3160, 3180, 3200, 3220, 3240, 3260, 3280, 3300, 3320, 3340, 3360, 3380, 3400, 3420, 3440, 3460, 3480, 3500, 3520, 3540, 3560, 3580, 3600, 3620, 3640, 3660, 3680, 3700, 3720, 3740, 3760, 3780, 3800, 3820, 3840, 3860, 3880, 3900, 3920, 3940, 3960, 3980, 4000, 4020, 4040, 4060, 4080, 4100, 4120, 4140, 4160, 4180, 4200, 4220, 4240, 4260, 4280, 4300, 4320, 4340, 4360, 4380, 4400, 4420, 4440, 4460, 4480, 4500, 4520, 4540, 4560, 4580, 4600, 4620, 4640, 4660, 4680, 4700, 4720, 4740, 4760, 4780, 4800, 4820, 4840, 4860, 4880, 4900, 4920, 4940, 4960, 4980, 5000. A red star is located near the center of the circle, and a red dot is located near the bottom right of the circle. The map also shows various geographical features, including roads, rivers, and mountains. A scale bar indicates 1 mile.

CONTOUR LINES REPRESENTED IN FEET



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

REPORT SUMMARY OF LOCATABLE SITES

MAP ID#	DATABASE NAME	SITE ID#	DISTANCE FROM SITE	SITE NAME	ADDRESS	CITY, ZIP CODE	PAGE #
1	WATERS	C01627	0.764 N				1

GeoSearch

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WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE SYSTEM (WATERS)

MAP ID# 1

Distance from Property: 0.76 mi. N

GEOSEARCH ID: C01627
OWNER'S NAME:
DATE DRILLED: 11/04/1975
DEPTH DRILLED: 170.000000000000 FT.
DATE PLUGGED: 11/04/1975
STATIC LEVEL: 0.000000000000 FT.
WATER USAGE: NOT REPORTED
LONGITUDE: -103.984384000
LATITUDE: 32.271286000

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 · 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

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

No wells found.

PLSS Search:

Section(s): 3

Township: 24S

Range: 29E

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

9/24/15 9:21 AM

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): 4

Township: 24S

Range: 29E

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

9/24/15 9:21 AM

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): 27

Township: 23S

Range: 29E



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) (NA083 UTM in meters)

(in feet)

POD Number	POD Code	Subbasin	County	Source	6416 4	q q q	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Log File Date	Depth Well	Depth Water	Driller	License Number
C 01627	C		ED		1	4 4	28	23S	29E	595649	3570959*	11/01/1975	11/04/1975	12/18/1975	170		ABBOTT, MURRELL	46
C 02707	C		ED	Shallow	2	28	23S	29E		595535	3571868*	06/09/2000	06/09/2000	08/28/2000	40	18		1348

Record Count: 2

PLSS Search:

Section(s): 28

Township: 23S

Range: 29E

*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.

9/24/15 9:06 AM

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): 33

Township: 23S

Range: 29E

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

9/24/15 8:41 AM

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): 34

Township: 23S

Range: 29E

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

9/24/15 8:42 AM

Page 1 of 1

WELLS WITH WELL LOG INFORMATION

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 (Cedar Canyon #1) that was drilled 15,488 feet (TD). The well was drilled about 2.7 miles south of the proposed SWD in Unit P (SE/4, SE/4), Section 9, Township 24 South and Range 29 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 and a water report from Geosearch, there is one well within the 1-mile radius of the Cypress SWD, however, no chemical analysis is available.

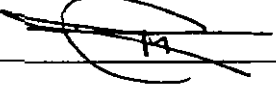
***Refer to attached Office of the State Engineer Well Inventory and Geosearch
Water Well Report
(Attachment VIII)***

ATTACHMENT XII

Faults and Hydrologic Connections

Statement

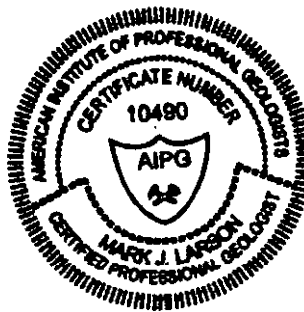
I, Mark J. Larson, have reviewed available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.



Mark J. Larson

5 - 18 - 2016

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 May 20, 2016:

Abo Petroleum Corp.

105 South 4th street

Artesia, NM 88210

Myco Industries, Inc.

105 South 4th Street

Artesia, NM 88210

U.S. Bureau of Land Management

Carlsbad Field Office

620 East Greene Street

Carlsbad, NM 88220

OXY USA, Inc.

P.O. Box 27570

Houston, TX 77227

Exxon Mobil Oil Corporation

P.O. Box 4358

Houston, TX 77210

Yates Petroleum Corp.

105 South 4th Street

Artesia, NM 88210

Refer to attached Letters of Notification



WASTE CONNECTIONS, INC.
Connect with the Future

May 20, 2016

Abo Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

**Re: Application for Salt Water Disposal (Cypress SWD #1) Well, R360 Permian Basin, LLC,
Unit L (NW/4, SW/4), Section 34 Township 23 South, Range 29 East, Eddy 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 (Cypress 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 2 office located at 811 South First St. Artesia, New Mexico 88210 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, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

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

**Re: Application for Salt Water Disposal (Cypress SWD #1) Well, R360 Permian Basin, LLC,
Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, Eddy 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 Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, Eddy 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 | Development

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210

**Re: Application for Salt Water Disposal (Cypress SWD #1) Well, R360 Permian Basin, LLC,
Unit L (NW/4, SW/4), Section 34 Township 23 South, Range 29 East, Eddy 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 (Cypress 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 2 office located at 811 South First St. Artesia, New Mexico 88210 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, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

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

Re: Application for Salt Water Disposal (Cypress SWD #1) Well, R360 Permian Basin, LLC, Unit L (NW/4, SW/4), Section 34 Township 23 South, Range 29 East, Eddy 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 (Cypress 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 2 office located at 811 South First St. Artesia, New Mexico 88210 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, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

Mr. William Jones, Bureau Chief
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Cypress SWD #1, 360 Permian Basin LLC, Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, Eddy County, New Mexico

Dear Mr. Jones,

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 (Cypress SWD #1) in Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, Eddy County, New Mexico. The well will be located 1590' FSL and 165' 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 14,780 and 15,780 feet. Notification and a copy of the permit application were sent to the NMOCD District 2 office in Artesia, 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 | Development

cc: Randy Bayliss – OCD District 2

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2015

OXY USA, Inc.
P.O. Box 27570
Houston, TX 77227

**Re: Application for Salt Water Disposal (Cypress SWD #1) Well, R360 Permian Basin, LLC,
Unit L (NW/4, SW/4), Section 34 Township 23 South, Range 29 East, Eddy 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 (Cypress 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 2 office located at 811 South First St. Artesia, New Mexico 88210 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, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

Enc/





WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

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Unit L (NW/4, SW/4), Section 34 Township 23 South, Range 29 East, Eddy County, New
Mexico**

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Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

Enc/



PUBLIC NOTICE

The attached public notice was submitted to the Hobbs News Sun on May 20, 2016, 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 (Cypress SWD #1). The well will be located 1590' FSL and 165' FWL, in Unit L (NW/4, SW/4), Section 34, Township 23 South, Range 29 East, in Eddy County, New Mexico. The well will be located approximately 21 miles southeast of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,780' and 15,780'. 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.

Wellname	API	Latitude	Longitude	Section	Township	Range	Unit	High	Flow	Formation	SampleSource	SampleDate	pH	tds_mgl	sodium_mgl	calcium_mgl	iron_mgl	magnesium_mgl	manganese_mgl	chloride_mgl	bicarbonate_mgl	sulfate_mgl
SPUD 1b STATE #00711	4001544078	42.4090642	-104.995646	16	23S	29E	D	910N	830W	DELAWARE BRUSHY CANYON		7/24/2015 0.00	6.3	208475.1	78542.2	12407.5	51.6	4727.3	10.64	182304	25	4.4
SPUD 1b STATE #004	4001544924	42.4004913	-104.9870224	16	23S	29E	D	910S	1800E			2/6/2015 0.00	5.8	269847.8	63640.2	26404.7	5284	4884.9	64.24	167504.8	48.8	0
LAGUNA SALADO 22 FEDERAL #0041	4001544641	42.294426	-104.9740435	22	24S	29E	C	1240N	2510W	DELAWARE BRUSHY CANYON		2/25/2015 0.00	6.2	267620.4	71506.6	11764.4	60.5	4690.6	11.04	184000	188	0
LAGUNA SALADO 22 FEDERAL #0054	4001544746	42.2922592	-104.9752045	22	24S	29E	C	2030N	1855W	DELAWARE BRUSHY CANYON		2/25/2015 0.00	6.1	288740.6	69567.3	11995.5	50	4780.6	10.46	170020.5	122	0
LAGUNA SALADO SOUTH #001	4001521407	42.2922554	-104.9748001	22	23S	29E	F	2030N	1980W			3/10/2015 0.00	4.99	292267.7	24174.8	11994.3	65	4422.2	11.66	177444.9	59.6	0
LAGUNA SALADO 22 FEDERAL #0014	4001545074	42.2835912	-104.9767598	22	24S	29E	M	140N	740W	DELAWARE BRUSHY CANYON		3/10/2015 0.00	6.5	108093.2	72995	26487.3	283.7	4547.4	17.1			
LAGUNA SALADO 22 FEDERAL #0044	4001544641	42.294426	-104.9740435	22	24S	29E	C	1240N	2510W	DELAWARE BRUSHY CANYON		3/10/2015 0.00	6.4	402544.8	72665	12249.2	56.1	4846.7	11.16	188800	46.4	0
LAGUNA SALADO 22 FEDERAL #0054	4001544746	42.2922592	-104.9752045	22	24S	29E	C	2030N	1855W	DELAWARE BRUSHY CANYON		3/10/2015 0.00	6.2	204876.4	71940.2	12744.8	53	4969.8	10.25	181883.2	61	0
H F 7 FEDERAL COM #001	4001528509	42.1182259	-104.0298149	7	24S	29E	L	1980N	660W			8/5/2003 0.00	6.4	292278.7	72665	10405	60	4465		182012	145.2	548
COCHITI 28 FEDERAL #001	4001530114	42.2777977	-104.996135	28	23S	29E	E	1980N	660W			8/7/2003 0.00	6.31	189523	63228.5	7257	21	985		114590	146	641
SPUD 1b STATE #004	4001544924	42.4004913	-104.9870224	16	23S	29E	D	960S	1800E			4/16/2015 0.00	7	174421.9	58658.1	6044	11.3	950	1.74	104509.9	1915	0
SPUD 1b STATE #006	4001544575	42.4099465	-104.9956562	16	23S	29E	D	920N	990W			4/16/2015 0.00	5	102564.1	77860.6	11722.1	75.5	4897.1	10.63	182468.1	122	0
LAGUNA SALADO 22 FEDERAL #002	4001544677	42.294818	-104.9730845	22	24S	29E	C	1090N	2510W			4/16/2015 0.00	6.5	295759.7	72512.2	11550.2	56.8	4582.8	11.49	184412.7	122	0
SPUD 1b STATE #0074	4001544078	42.4099642	-104.995646	16	23S	29E	D	910E	810W	DELAWARE BRUSHY CANYON		4/16/2015 0.00	4	101455.2	76007.7	11274.3	61.8	4921.1	10.2	183875.4	610	0
LAGUNA SALADO 22 FEDERAL #0041	4001544641	42.294426	-104.9740435	22	24S	29E	C	1240N	2510W	DELAWARE BRUSHY CANYON		4/16/2015 0.00	6.9	292452.7	68893.3	11112	53.4	4508.7	10.57	184250	234	0
LAGUNA SALADO 22 FEDERAL #0054	4001544746	42.2922592	-104.9752045	22	24S	29E	C	2030N	1855W	DELAWARE BRUSHY CANYON		4/16/2015 0.00	6.5	292278.7	69172.3	11471.9	52.1	4556.6	10.16	184597.2	122	0
SPUD 1b STATE #0094	4001544959	42.4014306	-104.9874581	16	23S	29E	D	1265S	1905E	AVALON UPPER		4/16/2015 0.00	7	154164.4	54060.3	797.8	45.2	202.5	0	92020.7	3660	0
HARRISON TRUST #1 #0041	4001544261	42.2551241	-104.0195924	41	23S	29E	D	140S	1445E	DELAWARE BRUSHY CANYON		4/16/2015 0.00	7	297640.8	79092.1	29745.4	20.1	4416.8	4.77	190802.1	65.4	0
HARRISON TRUST #1 #0051	4001544277	42.2551241	-104.0194244	41	24S	29E	P	140S	1295E	DELAWARE BRUSHY CANYON		4/16/2015 0.00	6	295110	76800.4	26511.9	50.9	4244.8	6.25	141794.5	74.2	0
SPUD 1b STATE #0101	4001544114	42.4045098	-104.9841145	16	23S	29E	I	2030S	880E	BONE SPRING 1ST SAND		4/16/2015 0.00	7	152943.4	54131.5	1409.3	16.2	274.9	0	92807.2	2405.8	0
SPUD 1b STATE #0111	4001544114	42.4044425	-104.9843145	16	23S	29E	I	2030S	860E	BONE SPRING 1ST SAND		4/16/2015 0.00	7	154541.8	53895.7	1294.2	0	272.6	0	92916.4	2408.4	0
SPUD 1b STATE #0121	4001544150	42.4042951	-104.9844221	16	24S	29E	I	1980S	860E	BONE SPRING 1ST SAND		4/16/2015 0.00	7	146424.7	55118.3	1444.9	11.3	312.8	0	94786.2	2659.6	0
HARRISON TRUST #1 #0 FEDERAL COM #0021	40015441964	42.2551256	-104.0289991	41	23S	29E	M	140S	1105W	DELAWARE BRUSHY CANYON		4/16/2015 0.00	6	296287.5	80277.8	29849.4	64.8	4475.1	7.97	178198.3	73.2	0
TELEDYNE 17 #001	4001522754	42.2996645	-104.0901666	17	23S	29E	N	660S	1980W	MORROW	UNKNOWN	11/16/1978 0.00	6	62523						47600	142	819
HARRISON TRUST 19 #001	4001528105	42.2870941	-104.0279084	19	23S	29E	N	1416S	1420W			1/21/2004 0.00	6.5	1620	622.5	41	164	5		1819	132	8
COCHITI 28 FEDERAL #001	4001540114	42.2777977	-104.996135	28	23S	29E	E	1980N	660W			11/10/2005 0.00	6.5	111701.5	79366.1	10643	48	4641		194058	290.4	210
LAGUNA SALADO SOUTH #001	4001521407	42.2922554	-104.9748001	22	23S	29E	F	2030N	1990W			11/10/2005 0.00	6.5	425131.4	79085.7	86942	46	4072		203660	20.7	238
COCHITI 28 FEDERAL #001	4001540114	42.2777977	-104.996135	28	23S	29E	E	1980N	660W			11/10/2005 0.00	6.5	121289.3	79308.6	16445	46	4478		198925	20.7	212
SPUD 1b STATE #002	4001544924	42.4042951	-104.9822464	16	23S	29E	I	1980S	130E			11/10/2005 0.00	6.5	120845	78198.3	19909	54	4118		198994	20.7	240
SPUD 1b STATE #005	4001544222	42.4042297	-104.9831145	16	23S	29E	I	2320S	860E			7/10/2006 0.00	5.5	66688.8	12428.1	12411	2	22	3	41434	83	44
LAGUNA SALADO 22 FEDERAL #0044	4001544674	42.2835922	-104.9767598	22	23S	29E	M	140N	740W	DELAWARE BRUSHY CANYON		4/24/2007 0.00	5	123549.5	90274.3	27451	49	4197	8	182467	103.7	331

TELEDYNE 17 #001	4001542554 42.2994645 -104.0090846	17 245	29E	N	660S	1980W	MORROW	UNKNOWN	11/16/1978 0 00	6	62521						17600	142	810
HARRISON TRUST 19 #001	4001542816 42.2870941 -104.0279044	19 245	29E	N	1416S	1320W			1/21/2004 0 00	6 5	4620	922 5	41	166	5		1819	132	8
COCHITI 28 FEDERAL #001	4001540114 42.2727972 -104.996415	28 245	29E	E	1950N	660W			11/10/2005 0 00	6 5	311701.5	79266.1	10643	38	4631		193058	290.4	210
LAGUNA SALADO NORTH #001	4001542607 42.2922554 -104.9248001	22 235	29E	E	2040N	1980W			11/10/2005 0 00	6 5	125111.4	79665.7	16942	46	4072		201640	20.7	238
COCHITI 28 FEDERAL #001	4001540114 42.2727972 -104.996415	28 245	29E	E	1950N	660W			11/10/2005 0 00	6 5	321269.4	79808.6	16435	46	1478		196935	20.7	212
SPUD 16 STATE #002	4001544924 42.4042951 -104.9822464	16 245	29E	I	1980S	130E			11/10/2005 0 00	6 5	42045.3	73198.4	19909	54	4118		198994	20.7	249
SPUD 16 STATE #005	4001544222 42.3082247 -104.9811495	16 245	29E	I	2320S	660E			7/10/2006 0 00	5 5	66668.8	12428.1	12431	2	22	6	4144	83	44
LAGUNA SALADO 22 FEDERAL #001H	4001544024 42.2845922 -104.9287556	22 245	29E	M	140S	740W	DELAWARE BRUSHY CANYON		4/26/2007 0 00	5	101549.5	80233.3	27451	49	4197	9	187467	103.7	331
SPUD 16 STATE #001	4001544491 42.2999442 -104.9822617	16 245	29E	P	760S	430E			11/12/2007 0 00	6	405673.4	72462.5	44410	52	5442	115	189631	207.4	313
SPUD 16 STATE #006	4001544575 42.1099465 -104.9950562	16 245	29E	D	920N	990W			11/12/2007 0 00	7	96369.4	12610.8	1002	19	404	0.6	57440	207	507
REMUDA BASIN UNIT #001	4001540491 42.2886248 -104.9460428	24 235	29E	J	1980N	1980E	DEVONIAN	SWAB			64587						47500	610	1700
REMUDA BASIN UNIT #001	4001540491 42.2886248 -104.9460428	24 245	29E	J	1980S	1940E	BONE SPRING	DST			271010						164800	149	100
REMUDA BASIN UNIT #001	4001540491 42.2886248 -104.9460428	24 235	29E	J	1980S	1980E	DEVONIAN	SWAB			54922						29000	1740	4080
H F 7 FEDERAL COM #001	4001542509 42.4182259 -104.0299149	7 235	29E	L	1980S	660W			12/6/2014 0 00	6 3	255655.3	64957.8	24145.2	50.1	4612.9	7.74	159751.3	7.4	0
SPUD 16 STATE #004	4001544575 42.4099465 -104.9950562	16 235	29E	D	920N	990W			6/19/2008 0 00	6 8	48107.2	11541.1	4420	20	430	0.6	56819	121	230
SPUD 16 STATE #006	4001544575 42.4099465 -104.9950562	16 245	29E	D	920N	990W			6/19/2008 0 00	6 5	98637	12041.3	4145	18	570	0.7	59626	122	249
SPUD 16 STATE #002H	4001544024 42.2845922 -104.9287556	22 245	29E	D	910N	830W	DELAWARE BRUSHY CANYON		6/29/2008 0 00	6 25	273349.2	77650.2	26696	44	3301	6.5	168290	25	454
COCHITI 28 FEDERAL #001	4001540114 42.2727972 -104.996415	28 245	29E	E	1950N	660W			12/10/2008 0 00	5 8	437621.4	97022.4	26133	43	4842	7	207100	37	608
COCHITI 28 FEDERAL #001	4001540114 42.2727972 -104.996415	28 245	29E	E	1950N	660W			12/10/2008 0 00	5 8	323214.9	89941.4	26457	45	5748	7.5	196800	24	3645
SPUD 16 STATE #004	4001544924 42.4004913 -104.9870224	16 245	29E	D	960S	1800E			12/10/2008 0 00	5 7	301069	86093.5	24970	49	4357	2.5	185642	49	433
SPUD 16 STATE #004	4001544924 42.4004913 -104.9870224	16 245	29E	D	960S	1800E			12/10/2008 0 00	5 6	413385.4	87800.8	25524	43	4599	8	194392	37	394
COCHITI 28 FEDERAL #001	4001540114 42.2727972 -104.996415	28 245	29E	E	1950N	660W			3/6/2009 0 00	6	284058.9	67333.9	40719	38	5234	9	176642	61	166
SPUD 16 STATE #004	4001544575 42.1099465 -104.9950562	16 235	29E	D	920N	990W			3/24/2009 0 00	7	114218.7	19144.6	1384	21	498	0.6	69346	22	176
SPUD 16 STATE #006	4001544575 42.1099465 -104.9950562	16 235	29E	D	920N	990W			6/19/2009 0 00	5 8	292111.3	82495.8	23148	26	1432	6	179281	37	1259
H F 7 FEDERAL COM #001	4001542509 42.4182259 -104.0299149	7 245	29E	L	1980S	660W			8/23/2010 0 00	6	302374.3	87959.3	21975	29	4457	6	185970	34	746
SPUD 16 STATE #003H	4001540054 42.3014406 -104.9873581	16 245	29E	O	1265S	190E	AVALON UPPER		5/11/2011 0 00	7	154965.1	58687.2	719	54	131	1	91118	1671.4	3502
LAGUNA SALADO 22 FEDERAL #001H	4001544712 42.2846129 -104.9280845	22 245	29E	E	1172N	2510W	DELAWARE BRUSHY CANYON		7/14/2011 0 00	7	279274.8	78992.3	21728	25	1407	6.5	172149	183	127
COCHITI 28 FEDERAL #001	4001540114 42.2727972 -104.996415	28 245	29E	E	1950N	660W			8/4/2011 0 00	7	297854.4	82296.9	24467	41	3829	7.5	183975	61	83
SPUD 16 STATE #004	4001543924 42.4004913 -104.9870224	16 245	29E	D	960S	1800E			8/4/2011 0 00	7	297691.4	84187.9	21778	41	3296	7	180200	122	235
SPUD 16 STATE #004H	4001542034 42.4110275 -104.9910938	16 245	29E	D	523S	165W	BONE SPRING 1ST SPLIT		6/28/2012 0 00	6 7	151750.2	57590.8	1198	10	243	0.4	91497	951.6	755

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ARTICLE NUMBER
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U.S. Bureau of Land Management
620 East Greene Street
Carlsbad NM 88220-6292

FEES
Postage per piece \$6.80
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Total Postage & Fees: \$12.80

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ARTICLE ADDRESS TO:
Myco Industries, Inc.
105 South 4th Street
Artesia NM 88210-2177

FEES
Postage per piece \$6.80
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$12.80

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CERTIFIED MAIL

Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

9402 7118 9956 3285 7171 65

RETURN RECEIPT REQUESTED

Article Addressed To:
Carlsbad Field Office
U.S. Bureau of Land Management
620 East Greene Street
Carlsbad NM 88220-6292

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C. Date of Delivery
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CERTIFIED MAIL

Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

9402 7118 9956 3285 5678 90

RETURN RECEIPT REQUESTED

Article Addressed To:
Myco Industries, Inc.
105 South 4th Street
Artesia NM 88210-2177

COMPLETE THIS SECTION ON DELIVERY

A. Signature (or Addressee or Agent)
X *[Signature]*

B. Received By: (Please Print Clearly)
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C. Date of Delivery
6/27/16

D. Addressee's Address (if Different From Address Used by Sender)
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U.S. Postal Service Certified Mail Receipt	ARTICLE NUMBER 9402 7118 9956 3285 7232 72	FEES
	ARTICLE ADDRESS TO: OXY USA, Inc. P.O. Box 27570 Houston TX 77227-7570	Postage per piece \$7.75 Certified Fee 3.30 Return Receipt Fee 2.70 Total Postage & Fees \$13.75

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U.S. Postal Service Certified Mail Receipt	ARTICLE NUMBER 9402 7118 9956 3285 7943 40	FEES
	ARTICLE ADDRESS TO: Exxon Mobil Oil Corporation P.O. Box 4358 Houston TX 77210-4358	Postage per piece \$7.75 Certified Fee 3.30 Return Receipt Fee 2.70 Total Postage & Fees \$13.75

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U.S. Postal Service Certified Mail Receipt	Mark Larson 507 N. MARIENFELD ST. SUITE 205 MIDLAND, TX 79701	CERTIFIED MAIL 9402 7118 9956 3285 7943 40 RETURN RECEIPT REQUESTED Article Addressed To: Exxon Mobil Oil Corporation P.O. Box 4358 Houston TX 77210-4358
	COMPLETE THIS SECTION ON DELIVERY A. Signature: () Addressee or () Agent B. Received By: (Please Print Clearly) C. Date of Delivery D. Addressee's Address (If Different From Address Used by Sender) Secondary Address / Suite / Apt. / Floor (Please Print Clearly) Delivery Address City State ZIP + 4 Code	

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ARTICLE NUMBER
9402 7118 9956 3285 5014 38

ARTICLE ADDRESS TO:
Randy Bayliss
District 2 OCD
811 South First Street
Artesia NM 88210-2834

FEEES
Postage per piece \$6.80
Certified Fee 3.30
Return Receipt Fee 0.5
Total Postage & Fees: \$12.60

Artesia NM 88210
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Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

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COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☒ Agent)
Mark Larson

B. Received By: (Please Print Clearly)
Mark Larson

C. Date of Delivery
10-9-16

D. Addressee's Address (If Different From Address Used by Sender)
Secondary Address / Suite / Apt. / Floor (Please Print Clearly)
Delivery Address
City State ZIP + 4 Code

9402 7118 9956 3285 5014 38

RETURN RECEIPT REQUESTED

Article Addressed To:
Randy Bayliss
District 2 OCD
811 South First Street
Artesia NM 88210-2834

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 7118 9956 3285 5868 80

ARTICLE ADDRESS TO:
William Jones
Bureau Chief
Engineering & Geological Services
NMOCD
1220 South Saint Francis Drive
Santa Fe NM 87505-4225

FEEES
Postage per piece \$7.75
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$13.75

Santa Fe NM 87505
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Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Erin CoatsSmith, being first duly
sworn, on oath says:

That she is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

May 20 2016

That the cost of publication is **\$68.82**
and that payment thereof has been
made and will be assessed as court
costs.

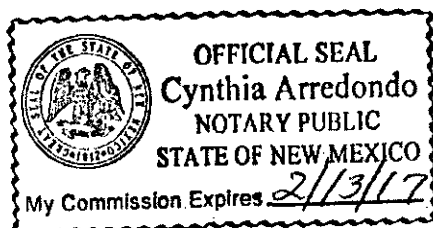
Erin Coats-Smith

Subscribed and sworn to before me
this 8 day of June,
2016

Cynthia Arredondo

My commission Expires
2/13/17

Notary Public



May 20, 2016

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc. 3 Waterway Square, 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 (Cypress SWD #1). The well will be located 1590' FSL and 165' FWL in Unit L (NW/4, SW/4) Section 34, Township 23 South, Range 29 East, in Eddy County, New Mexico. The well will be located approximately 21 miles south-east of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 14,780' and 15,780'. 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.



C-108 Review Checklist: Received 6/09/2016 Add. Request: 6/15/2016 Reply Date: 7/15/2016 Suspended: _____ [Ver 15]

ORDER TYPE: WFX / PMX / SWD Number: _____ Order Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): CYPRESS SAND

API: 30-0 15 pending Spud Date: TBD New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 1565 FSL Lot _____ or Unit ✓ Sec 33 Tsp 235 Rge 24E County ED

General Location: 6 miles SE/Loving Pool: SWD, DEVEN Pool No.: 96101

BLM 100K Map: JAH Operator: Besing, LLC OGRID: 289436 Contact: Michael Gent

COMPLIANCE RULE 5.9: Total Wells: 5 Inactive: 0 Fincl Assur: OK Compl. Order? NA TS 5.9 OK? Y Date: 7-15-2016

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)	Setting	Cement	Cement Top and Determination Method
		Borehole / Pipe	Depths (ft)	St or Cf	
Planned ___ or Existing ___ Surface	<u>26/28</u>	<u>600</u>	Stage Tool	<u>740</u>	<u>SURFACE 1 VISUAL</u>
Planned ___ or Existing ___ Interm/Prod	<u>17 1/2 / 13 1/8</u>	<u>320</u>	<u>1800</u>	<u>220</u>	<u>SURFACE 1 VISUAL</u>
Planned ___ or Existing ___ Interm/Prod	<u>9000 / 9930</u>	<u>600</u>	<u>1878</u>	<u>1878</u>	<u>SURFACE 1 VISUAL</u>
Planned ___ or Existing ___ Prod/Liner	<u>82/7</u>	<u>1474</u>	<u>NA</u>	<u>1217</u>	<u>SURFACE 1 VISUAL</u>
Planned ___ or Existing ___ Liner					
Planned ___ or Existing ___ OH/PERF	<u>14780/15780</u>		Inj Length	<u>1000'</u>	
Completion/Operation Details:					
Injection Lithostratigraphic Units:		Depths (ft)	Injection or Confining Units	Tops	
Adjacent Unit: Litho. Struc. Por.					
Confining Unit: Litho. Struc. Por.					
Proposed Inj Interval TOP:					
Proposed Inj Interval BOTTOM:					
Confining Unit: Litho. Struc. Por.					
Adjacent Unit: Litho. Struc. Por.					
AOR: Hydrologic and Geologic Information					
POTASH: R-111-P <u>NA</u> Noticed? <input checked="" type="checkbox"/> BLM Sec Ord <input type="checkbox"/> WIPP <input type="checkbox"/> Noticed? <input type="checkbox"/> Salt/Salado T: <u>40</u> B: <u>1240</u> NW: Cliff House fm _____					
FRESH WATER: Aquifer _____ Max Depth <u>1345</u> HYDRO AFFIRM STATEMENT By Qualified Person <input checked="" type="checkbox"/>					
NMOSE Basin: <u>Capitan Reef</u> thru _____ adj <u>NA</u> No. Wells within 1-Mile Radius? _____ FW Analysis: _____					
Disposal Fluid: Formation Source(s) <u>Spring, Lake Camp</u> Analysis? <input checked="" type="checkbox"/> On Lease <input type="checkbox"/> Operator Only <input type="checkbox"/> or Commercial <input checked="" type="checkbox"/>					
Disposal Int: Inject Rate (Avg/Max BWPD): <u>142/202</u> Protectable Waters? <input checked="" type="checkbox"/> Source: _____ System: <u>Closed</u> or Open					
HC Potential: Producing Interval? <u>NA</u> Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map <input type="checkbox"/>					
AOR Wells: 1/2-M Radius Map? <input checked="" type="checkbox"/> Well List? <input checked="" type="checkbox"/> Total No. Wells _____ Penetrating Interval: <u>0</u> Horizontals? _____					
Penetrating Wells: No. Active Wells <u>0</u> Num Repairs? _____ on which well(s)? _____ Diagrams? _____					
Penetrating Wells: No. P&A Wells _____ Num Repairs? _____ on which well(s)? _____ Diagrams? _____					
NOTICE: Newspaper Date <u>May 22, 2016</u> Mineral Owner <u>BLM</u> Surface Owner <u>BLM</u> N. Date <u>6/09/2016</u>					
RULE 26.7(A): Identified Tracts? <input checked="" type="checkbox"/> Affected Persons: <u>YATES, AB, Oxy, mobil</u> N. Date <u>6/09/2016</u>					

Order Conditions: Issues: Circulate all CASINGS / SURFACE

Add Order Cond: _____

* 2012 Secretary Potash Area.
* NO Active Potash: recent to BLM.