

DATE IN <u>3/27/2017</u>	SUSPENSE	ENGINEER <u>MAM</u>	LOGGED IN <u>3/27/2017</u>	TYPE <u>WFX</u>	APP NO <u>01708660174</u>
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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.

Ben Stone		Agent for Sundown Energy, LP	3/21/17
Print or Type Name	Signature	Title	Date
		ben@sosconsulting.us	
		e-mail Address	



March 23, 2017

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

Attn: Mr. David Catanach, Director

Re: Application of Sundown Energy, LP to convert to injection its Bobbi State Waterflood Unit Well No.6, API No 30-025-03978 located in Section 29, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico

Dear Mr. Catanach,

Please find enclosed the form C-108, Application for Authority to Inject, supporting the above-referenced request to authorize injection authority for this well. The Bobbi State Waterflood Unit and the authorization of two wells was permitted by R-13731 on January 21, 2013.

Sundown recently attempted to configure the No 8 well for injection as authorized but had some downhole mechanical issues and management decided to return that well to production. However, converting the No 6 well is seen as a good method to maintain the efficiency of the project as designed. Upon approval, Sundown Energy is prepared to move forward with this conversion.

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

Published legal notice ran in the March 24, 2017 edition of the Hobbs News-Sun. As Sundown is the operator of record for all affected tracts, no additional notice was required. Some updated maps and diagrams are included in this application for clarity although, nothing has changed in the area of review. The well is located on state land and minerals and a copy of this application has been submitted to the State Land Office, Oil & Gas Division.

I respectfully request that approval for this injection authority proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

Ben Stone, Partner
SOS Consulting, LLC
Agent for Sundown Energy, LP

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I PURPOSE **Waterflood Expansion** and the application *qualifies* for administrative approval
- II OPERATOR **Sundown Energy, LP (Ogrid – 232611)**
ADDRESS **16400 Dallas Parkway, St 100, Dallas, TX 75248**
- CONTACT PARTY **Ralph Butler (214) 368-6100**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III WELL DATA **All well data and applicable wellbore diagrams are ATTACHED hereto.**
- IV **This is an expansion of an existing project. (Previously permitted by R-13731.)**
- V **A map is ATTACHED** that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review
- *VI **PREVIOUSLY SUBMITTED** - A tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. The data includes a description of each well's type, construction, date drilled, location, depth, and a schematic of any plugged well illustrating all plugging detail. **(No P&A, no offset wells beside unit wells.)**
- VII Attach data on the proposed operation, including **ALL PREVIOUSLY SUBMITTED**
- 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. **PREVIOUSLY SUBMITTED**
- IX Describe the proposed stimulation program, if any. **The well may be acidized when converted to injection.**
- *X Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted) **PREVIOUSLY SUBMITTED**
- *XI **State Engineer's records indicate there are 17 water wells within one mile the proposed injection well. All data PREVIOUSLY SUBMITTED.**
- 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 **"Proof of Notice" section on the next page of this form has been completed and ATTACHED. Affected parties have not changed. Legal Notice was published 1/17/17 in the Hobbs News-Sun.**
- XIV Certification I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief

NAME **Ben Stone**

TITLE **SOS Consulting, LLC agent / consultant for Sundown Energy, LP.**

SIGNATURE _____

DATE **3/21/2017**

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

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

III WELL DATA – *The following information for the Bobbi State WF Unit No.6 are ATTACHED and includes:*

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

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

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

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

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

XIV PROOF OF NOTICE *Note: The APPLICANT is the operator of record for all subject tracts. Lessees are shown in application and Published Legal Notice was made. No other offset affected parties are due notice for application.*

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

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

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

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

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

C-108 - APPLICATION FOR AUTHORIZATION TO INJECT

Sundown Energy, LP
Bobbi State Waterflood Unit Well No.6
30-025-03978

- I. This application is being submitted to replace the previously authorized BSWFU No 8. During operations to convert the No 8 well to injection, Sundown ran into downhole issues in attempting to configure the well as desired. Sundown management decided to return the No 8 well to production as originally configured and apply to convert the No 6 well as a suitable replacement injection well and to maintain or improve the efficiency of the waterflood project.

The Bobbi State Waterflood Unit and the two wells were authorized on January 21, 2013 by R-13731, Case File No 14982 (unitization) and No 14983 (Waterflood). The BSWFU No 4 is currently the only injection well operating and so designated. Injection authorization for the No 6 well will get the project more closely in line with the original plans and design.

This application qualifies for administrative approval.

- II. ***ALL operator data is shown previously and throughout.***
- III. ***ALL well data has been submitted*** – no interval changes to the well are proposed. The 'Current' and 'Proposed' wellbore diagrams are included.
- IV. We believe should be considered an expansion of the original project as authorized by R-13731.
- V. An updated 2-Mile Area of Review Map is attached. The AOR has not changed however, the new map is included for clarity and presentation of water well locations.
- VI. ***The AOR has not changed*** and the previously submitted tabulation of well construction data is valid. ***There are NO P&A wells in the AOR and the only wells are those of the WF project.***
- VII. ***Data on the proposed operation has been previously submitted***, but is shown here for clarity including:
- 1 The well is expected to inject between 100 and 200 bwpd (lower than originally anticipated),
 - 2 The system is closed,
 - 3 Average injection pressure is expected to be 900 psi with a maximum of 1100 psi (2 psi/ft),
 - 4 Produced water from the lease and some make up water (also from on-lease water well) as required; all applicable water data was previously submitted and approved; and,
 - 5 Injection will be into the Arkansas Junction, San Andres, West Pool (2503) as authorized for secondary recovery.
- VIII. ***All Geologic Data has been previously submitted*** and approved.
- IX. A routine small acid job may be performed to clean the perforations and formation wall.

Hearing Order
R-13731
Limits
to
1057 psi

C-108 - APPLICATION FOR AUTHORIZATION TO INJECT (cont.)

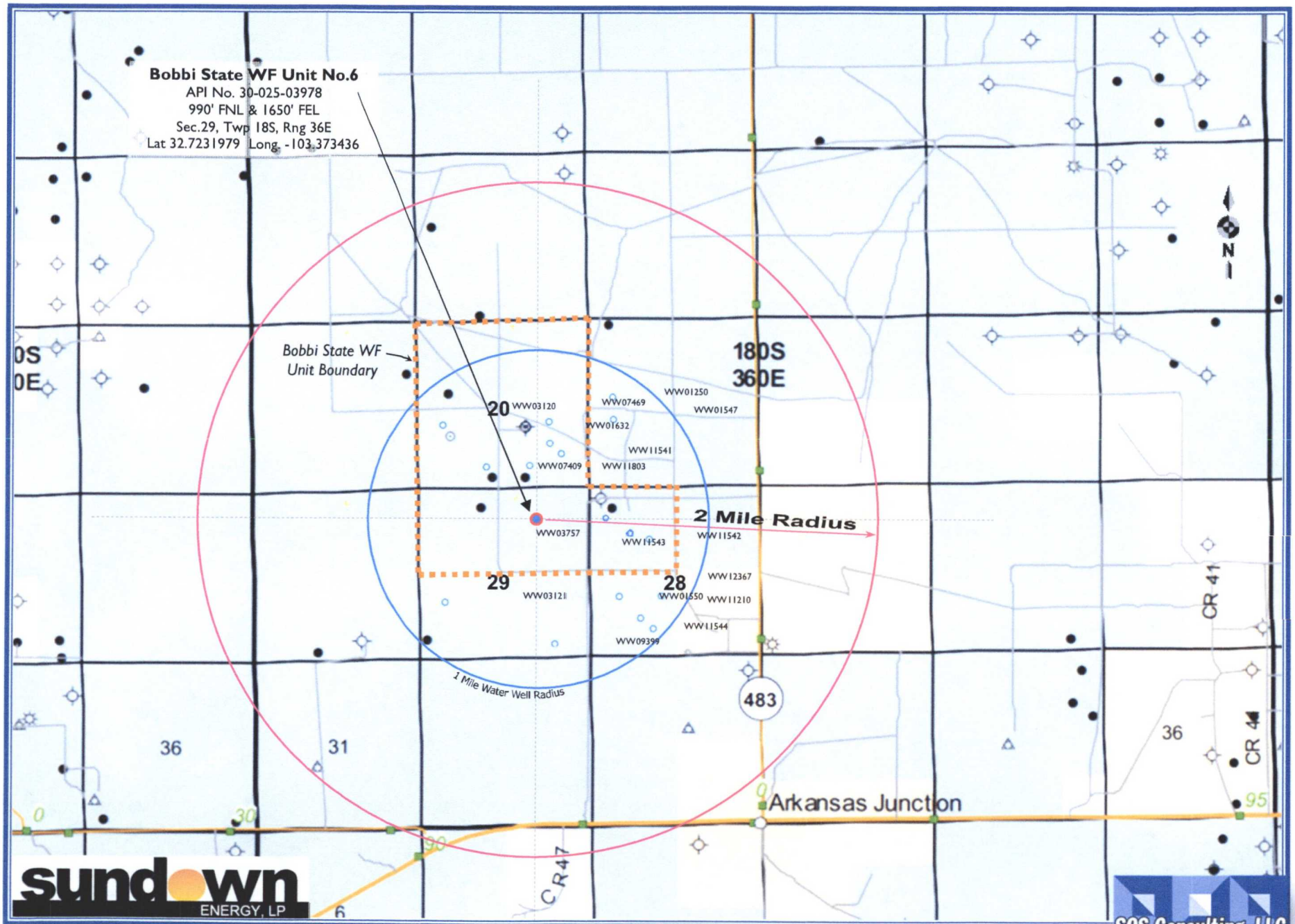
**Sundown Energy, LP
Bobbi State Waterflood Unit Well No.6
30-025-03978**

- X. Logs are on file with the Division and were presented for project initialization
- XI. Water analyses for 3 water wells were submitted previously
- XII. Applicant stated during hearing testimony that seismic data indicated no evidence of open faults or any other hydrologic connection between the injection zone and any underground sources of drinking water
- XIII. Legal notice was published for this application in the Hobbs News-Sun on March 23, 2017. No offset notification was required for the unitized tracts operated by Sundown Energy, LP. A copy of this application was submitted to the NM State Land Office, Oil & Gas Division via Fed Ex. An updated lease plat is included with this application that shows some of the area of review tracts are currently unleased for oil & gas.
- XIV. The application has been signed and dated



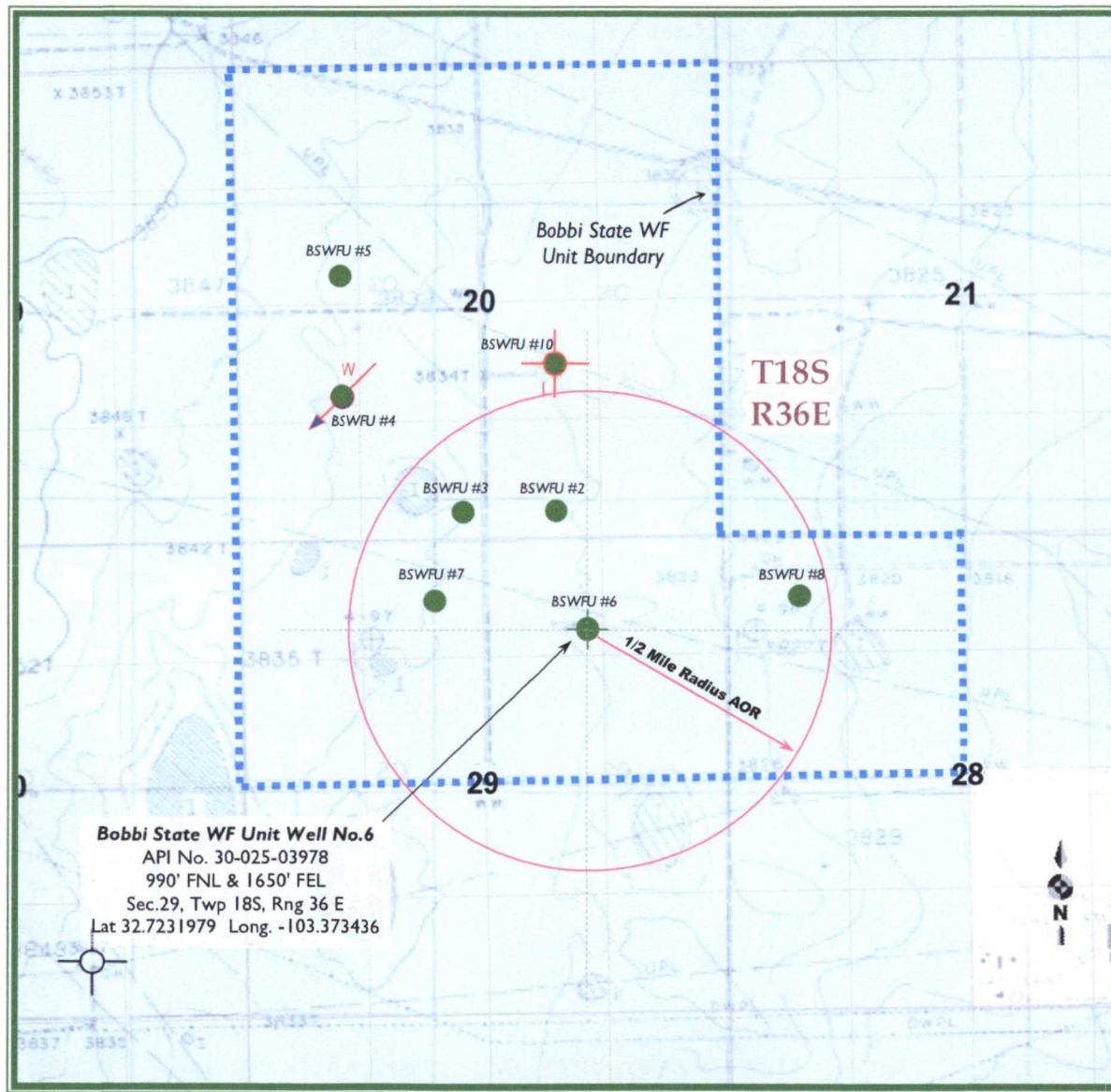
Bobbi State WF Unit Well No.6 - Area of Review / 2 Miles

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

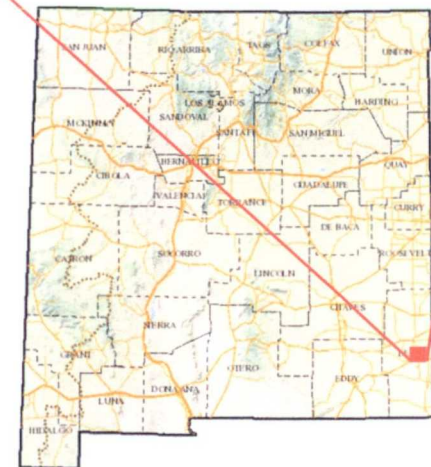
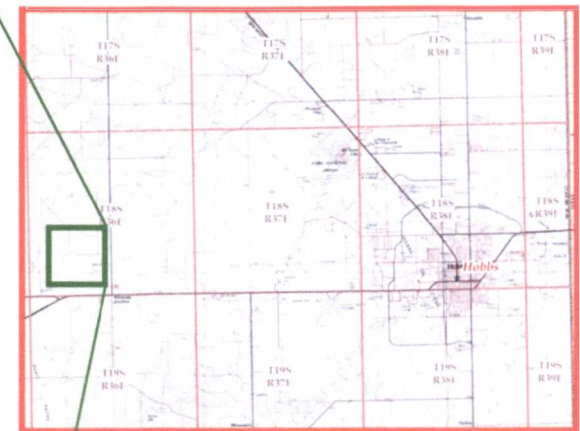


Bobbi State WF Unit Well No.6 WFX - Area of Review / Overview Map

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



12.7 miles West of Hobbs, NM



Lea County, New Mexico

CURRENT WELL CONFIGURATION



Bobbi State WF Unit Well No.6

API 30-025-03978

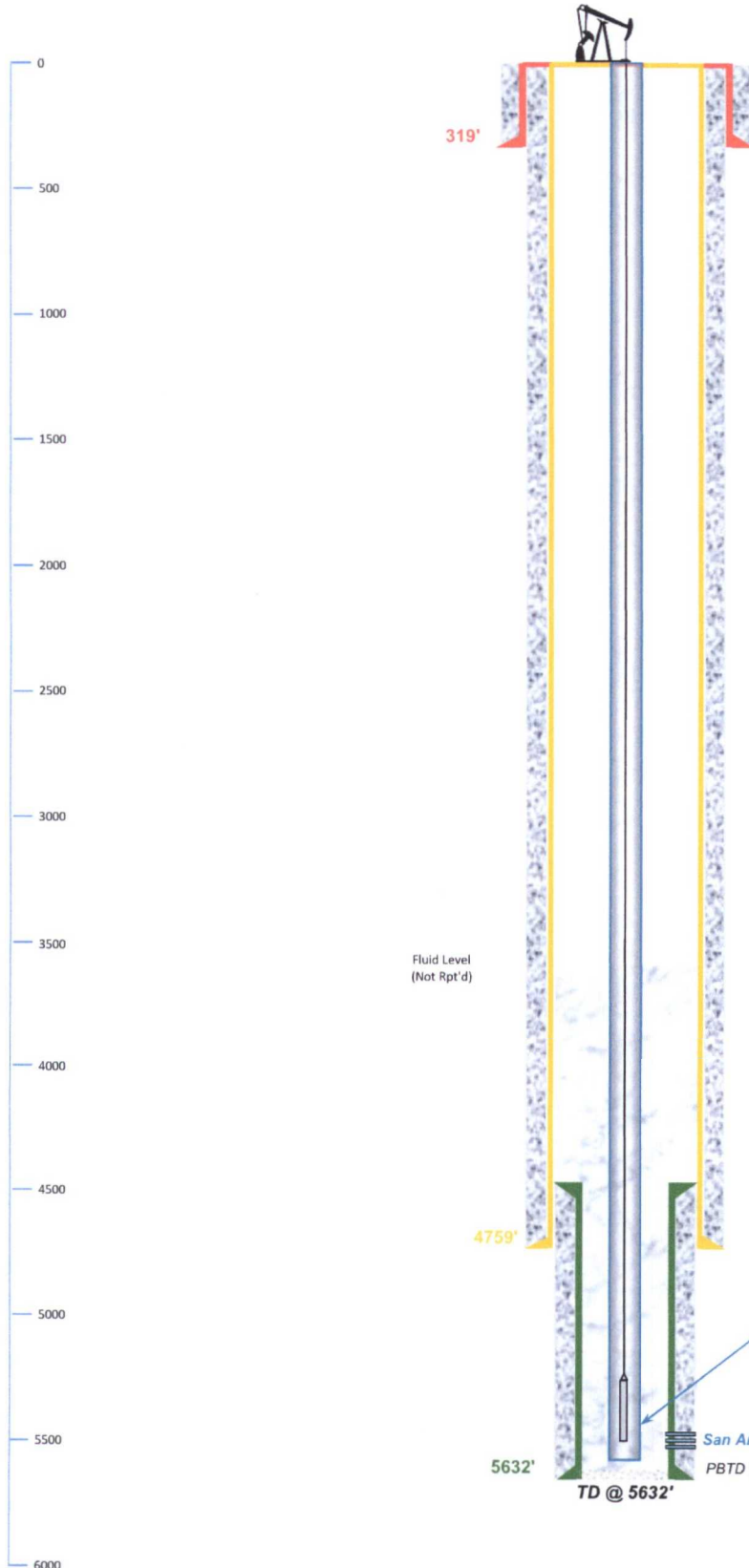
990' FNL & 1650' FEL, SEC. 29-T18S-R36E
LEA COUNTY, NEW MEXICO

Spud Date: 7/17/1958

P&A Date: 11/18/1958

Re-Entry Dt: 10/29/1979

*Oil Producer on Pump
Volumes Reported on C-115
AVG Production 2014-16 = 1 bopd*



Surface Casing

13.375" Csg. (17.0" Hole) @ 319'
350 sx Class 'C' - Circulated

Intermediate Casing

9.625" Csg. (12.25" Hole) @ 4759'
2066 sx Class 'C' - Circulated 75 sx to pit.

Production Liner

5.5" 14.0# Lnr. (8.75" Hole) 4670' to 5632'
290 sx Poly & Neat 'C' - TOC @ TOL



Drawn by: Ben Stone, 3/21/2017

PROPOSED WELL CONFIGURATION



Bobbi State WF Unit Well No.6

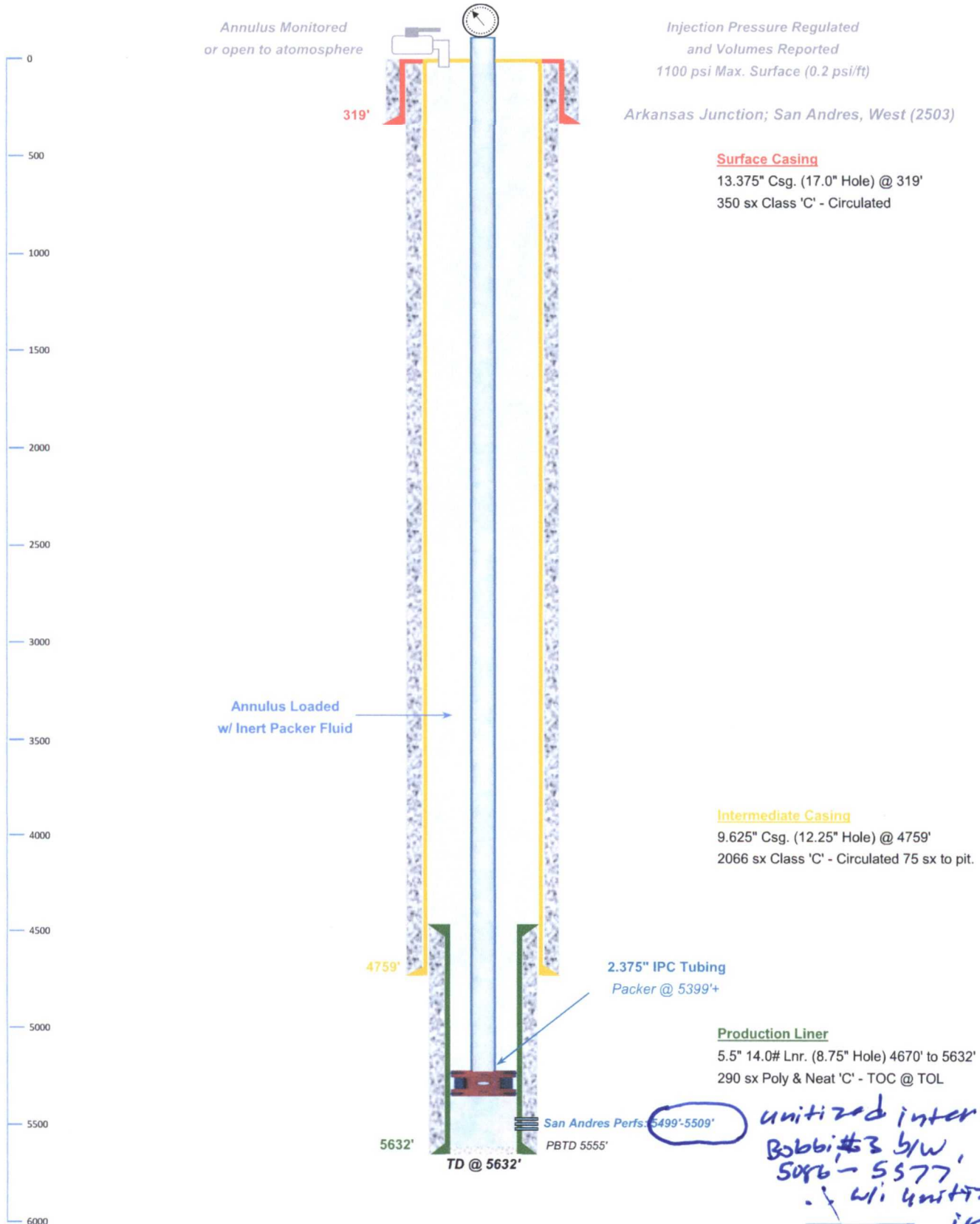
API 30-025-03978

990' FNL & 1650' FEL, SEC. 29-T18S-R36E
LEA COUNTY, NEW MEXICO

Spud Date: 7/17/1958

Re-Entry Dt: 10/29/1979

Inj. Date: ~4/15/2017



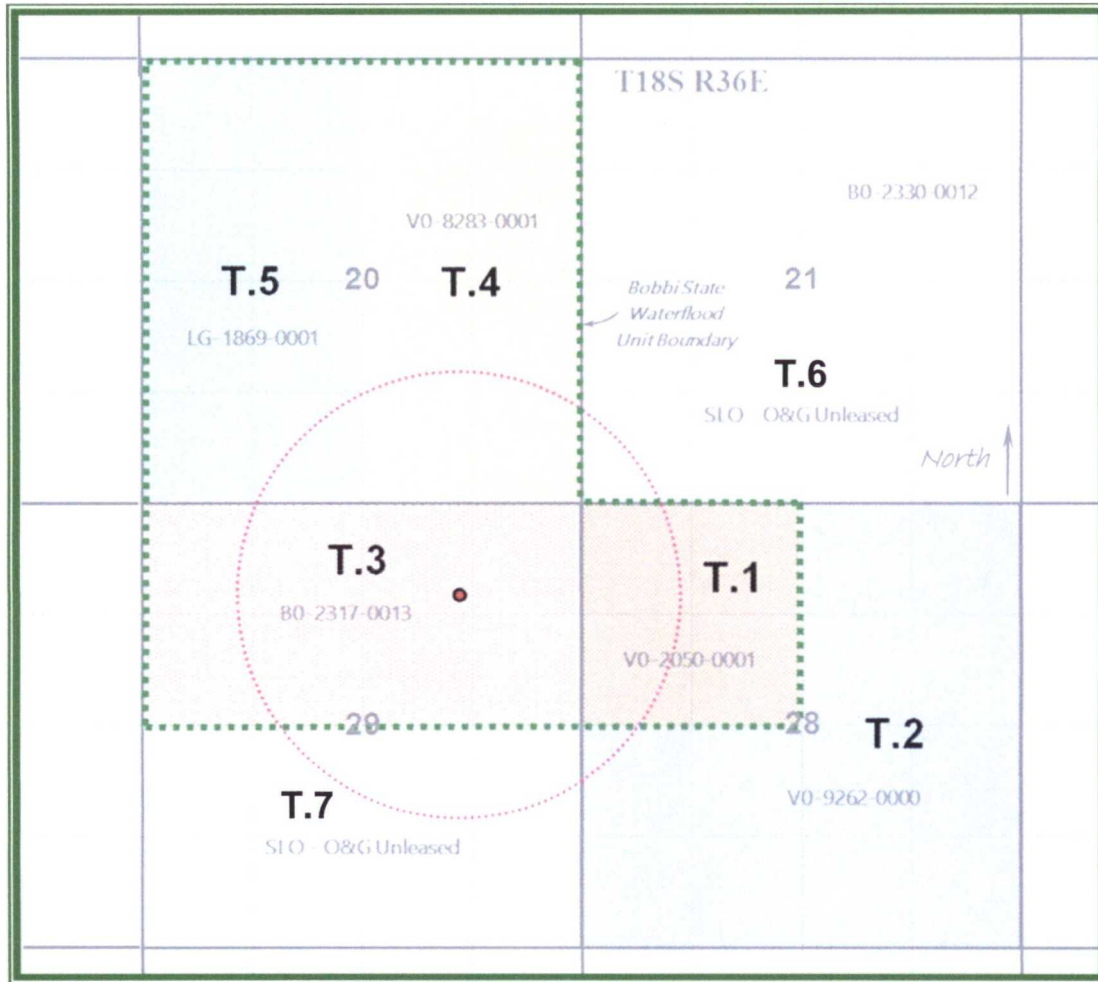
unitized interval
Bobbi #3 b/w
5496 - 5577'
w/ unitized
interval



Drawn by: Ben Stone, 3/21/2017

Bobbi State WF Unit Well No.6 - Leasehold Plat

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



LEGEND

Bobbie State WF Unit Operator: Sundown Energy, LP

T.4 – VO-8283-0001 – Fortune Natural Rec's Corp.

T.1 – VO-2050-0001 – Crown Energy Partners V

T.5 – LG-1869-0001 – EOG Resources, others

T.2 – VO-9262-0008 – Fortune Natural Rec's Corp.

T.6 – NM State Land Office - Unleased

T.3 – BO-2317-0013 – Crown Energy Partners V

T.7 – NM State Land Office - Unleased

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

Note: There have been no essential changes to the list of affected parties since the original application in 2013. Some previously leased tracts now show to be unleased (see plat) according to NMSLO Land Detail database records.

SURFACE & MINERALS OWNER

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

OFFSET MINERALS LESSEES and OPERATORS (NO NOTIFICATION REQUIRED)

State Lease VO-2050-0001; VO-8283-0001 (T.1 and T.4 on plat)

Lessee

FORTUNE NATURAL RESOURCES CORP *
16400 Dallas Parkway, Ste 100
Dallas, TX 75248

**Fortune is wholly owned by Sundown Energy, LP*

Operator

SUNDOWN ENERGY, LP
16400 Dallas Parkway, Ste 100
Dallas, TX 75248

State Lease VO-9262-0000; BO-2317-0013 (T.2 and T.3 on plat)

Lessee

CROWN OIL PARTNERS V
Attn: Brian Arnold
P O Box 50820
Midland, TX 79701

Operator

SUNDOWN ENERGY, LP
16400 Dallas Parkway, Ste 100
Dallas, TX 75248

State Lease LG-1869-0001

Lessee

EOG RESOURCES & KING RESOURCES
P O Box 4362
Houston, TX 77210-4362

Operator

SUNDOWN ENERGY, LP
16400 Dallas Parkway, Ste 100
Dallas, TX 75248

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

REGULATORY

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

NEW MEXICO OIL CONSERVATION DIVISION (*FedEx'ed copy*)
1625 N French Drive
Hobbs, NM 88240

C-108 - Item XIV

Proof of Notice – Legal Notice Newspaper of General Circulation

LEGAL NOTICE March 23, 2017

Sundown Energy, LP, 16400 Dallas Parkway, St 100, Dallas, TX 75248, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to convert a well to injection in its Bobbi State Waterflood Unit. The project was authorized for injection into the San Andres formation by Division Order R-13731 on August 13, 2013.

Sundown Energy proposes to now convert its Bobbi State WF Unit Well No 6 (API No 30-025-03978) located 990' FNL & 1650' FEL in Section 29, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico as originally authorized.

Produced water from the lease and an on-lease water supply well will be injected through existing perforations from 5499 feet to 5509 feet at a maximum surface injection pressure of 1100 psi (2 psi/ft uppermost perforation). Maximum injection rates are expected to be between 100 and 200 bwpd.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903) 488-9850 or, email info@sosconsulting.us
#31659

The above is the "Proof Copy" sent from the Hobbs News-Sun.
The affidavit of publication will be forwarded as soon as it is received.

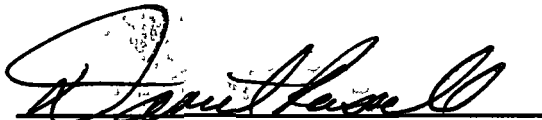
Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

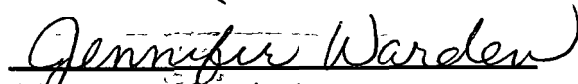
2017 MAR 31 12 16

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

Beginning with the issue dated
March 23, 2017
and ending with the issue dated
March 23, 2017


Publisher

Sworn and subscribed to before me this
23rd day of March 2017


Administrative Coordinator

My commission expires
February 09, 2021
(Seal)



OFFICIAL SEAL
Jennifer Warden
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires 02-09-2021

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

LEGAL NOTICE March 23, 2017

Sundown Energy, LP, 16400 Dallas Parkway, St 100, Dallas, TX 75248, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to convert a well to injection in its Bobbi State Waterflood Unit. The project was authorized for injection into the San Andres formation by Division Order R-13731 on August 13, 2013.

Sundown Energy proposes to now convert its Bobbi State WF Unit Well No 6 (API No 30-025-03978) located 990' FNL & 1650' FEL in Section 29, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico as originally authorized.

Produced water from the lease and an on-lease water supply well will be injected through existing perforations from 5499 feet to 5509 feet at a maximum surface injection pressure of 1100 psi (2 psf/ft uppermost perforation). Maximum injection rates are expected to be between 100 and 200 bwpd.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St Francis Dr, Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us #31659

67104420

00190480

BEN STONE
SOS CONSULTING, LLC
P O BOX 300
COMO, TX 75431

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
March 23, 2017
and ending with the issue dated
March 23, 2017.


Publisher

Sworn and subscribed to before me this
23rd day of March 2017


Administrative Coordinator

My commission expires
February 09, 2021
(Seal)



OFFICIAL SEAL
Jennifer Warden
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires 02-09-2021

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

LEGAL NOTICE March 23, 2017

Sundown Energy, LP, 16400 Dallas Parkway, St 100, Dallas, TX 75248, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to convert a well to injection in its Bobbi State Watershed Unit. The project was authorized for injection into the San Andres formation by Division Order R-13731 on August 13, 2013.

Sundown Energy proposes to now convert its Bobbi State WF Unit Well No. 8 (API No. 30-025-03978) located 990' FNL & 1650' FEL in Section 28, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico as originally authorized.

Produced water from the lease and an on-lease water supply well will be injected through existing perforations from 5499 feet to 5509 feet at a maximum surface injection pressure of 1100 psi (.2 psi/ft uppermost perforation). Maximum injection rates are expected to be between 100 and 200 bwpd.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903) 488-9850 or, email info@sosconsulting.us. 631859

67104420

00190480

BEN STONE
SOS CONSULTING, LLC
P O BOX 300
COMO, TX 75431

400-900 (900)

STIR LAIE 21MAY 11
ACTMACT 05018

BILL SENDER

**NIM STATE LAND OFFICE - OIL & GAS
310 OLD SANTA FE TRL**

SANTA FE NM 87501
505) 837 5704

(505) 827-5791
INV/

REF SUNDOWN BOBBIE 6 WFX

PC

DEPI



J171117021401

TRK# 7787 0569 9466
0201

THU - 23 MAR 4:30P

**** 2DAY ****

SX SAFA

87501
ABQ
NM-US

11

3 Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits. See current FedEx Service Guide.

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 14982

**APPLICATION OF SUNDOWN ENERGY, LP FOR
STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. 14983

**APPLICATION OF SUNDOWN ENERGY, LP FOR
AUTHORIZATION TO INJECT FOR
WATERFLOOD PROJECT OPERATIONS,
LEA COUNTY, NEW MEXICO.**

ORDER NO. R-13731

ORDER OF THE DIVISION

BY THE DIVISION:

These cases came on for hearing at 8 15 a m on May 16, 2013, at Santa Fe, New Mexico, before Examiner David K Brooks

NOW, on this 13th day of August, 2013, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of these cases and their subject matter

(2) Cases Nos 14982 and 14983 were consolidated for hearing Because the cases involve the same property and subject matter, a single order is being issued for both cases

(3) In Case No 14982, Sundown Energy, LP ("Applicant") seeks statutory unitization, pursuant to NMSA 1978 Sections 70-7-1 through 70-7-21, as amended ("the Statutory Unitization Act"), of its proposed **Bobbi State Waterflood Unit** (the "Unit" or "the proposed Unit"), comprising 1,120 acres, more or less, of State of New Mexico

lands, for the purpose of instituting secondary recovery operations by waterflooding, in the West Arkansas Junction-San Andres Pool (Pool Code 2503), and approval of the proposed Unit Agreement and Unit Operating Agreement, which were submitted as Applicant's Exhibits Nos 1 and 6, respectively, in these cases

(4) The proposed Unit Area consists of the following described lands

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY

Section 20	All
Section 28	NW/4
Section 29	N/2

consisting of 1,120 acres, more or less, of State of New Mexico lands

(5) The vertical extent of the proposed Unitized Formation is the interval within the San Andres formation from 100 feet above to 100 feet below the stratigraphic equivalent of the interval from 5,086 feet to 5,577 feet below the surface on the Compensated Neutron - Formation Density Log of the Bobbi State Well No 3 (API No 30-025-26954), located 330 feet from the South line and 2310 feet from the East line (Unit N) of Section 20, Township 18 South, Range 36 East, NMPM, in Lea County, New Mexico

(6) In Case No 14983, Applicant seeks approval of a waterflood project involving the injection of produced water into the San Andres formation, within the Unit Area, initially through two existing wells (one an existing producing well and the other a former producing well now plugged and abandoned), which Applicant proposes to convert to injection, as follows

State of New Mexico W Well No. 2 (API No 30-025-26605), located 660 feet from the North and West lines (Unit D) of Section 28, Township 18 South, Range 36 East, in Lea County New Mexico

Bobbi Well No. 4 (API No 30-025-27586), located 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 20, Township 18 South, Range 36 East, in Lea County New Mexico

(7) All owners of interests within the proposed Unit, and all affected persons in all spacing units within the one-half mile area of review (AOR) of each of the proposed injectors, were notified of these applications and of the hearing. No party appeared at the hearing to oppose these applications

(8) Applicant appeared at the hearing through counsel and presented testimony and exhibits as follows

- (a) The proposed Unit Area consists of 1,120 acres of exclusively State lands, comprising the proposed **Bobbi State Waterflood Unit**, which has been preliminarily approved by the Commissioner of Public Lands
- (b) Applicant requests statutory unitization of the proposed Unit and approval of the Unit Agreement (admitted at the hearing as Exhibit 1) and Unit Operating Agreement (admitted as Exhibit 6)
- (c) There are 30 working interest owners in the Unit Area, one royalty owner, and 14 overriding royalty owners. Applicant presently owns 81% of the working interest and has entered into agreements or is negotiating to acquire additional working interests. Preliminary approval by the Commissioner of Public Lands together with approvals already obtained from owners of overriding royalty owners constitute approval by more than 75% of the non-cost bearing interests
- (d) Applicant submitted a unitization proposal to all working interest owners whose whereabouts were ascertained, and has made offers to purchase the interests of those owners
- (e) Applicant has given notice of this Application and of the hearing to all owners of interests in the Unit Area, and to all owners of lands within the AOR surrounding each of the proposed injection wells who are "affected persons" under Division rules. No one has indicated any objection to the granting of the proposed Application
- (f) Nine working interest owners were unlocatable and were served with notice by publication
- (g) The method provided for allocation of costs and revenues among tracts included in the Unit Area, as the proposed Unit Agreement (40% cumulative primary production, 30% existing wellbores, 5% 2012 production and 25% acreage) is fair and reasonable
- (h) The San Andres reservoir which constitutes the Unitized Formation, as defined in the Unit Agreement, is continuous throughout the Unit Area, and is an attractive prospect for secondary recovery by waterflooding
- (i) Applicant proposes a "peripheral" waterflood operation involving, initially, two injection wells located relatively low structurally in the injection formation
- (j) The primary source of the injection water will be produced water from Delaware and San Andres wells in the vicinity. These waters are compatible with the formation waters

- (k) One of the proposed injection wells, the State of New Mexico W Well No 2, is currently producing. Casing and cementing in this well is considered adequate for conversion to injection, and downhole workover for injection will be limited to installation of 2 3/8-inch plastic coated tubing and setting a packer. Injection will be through existing perforations at 5,320 to 5,584 feet.
- (l) The other proposed injection well, the Bobbi No 4, is currently plugged and abandoned. Workover for injection will also include drilling out the plugs and squeezing additional cement behind the existing production string casing so as to provide a cement barrier from the base of the surface casing to bottom hole. Injection will be through existing perforations at 5,286 to 5,572 feet.
- (m) Injection rate will average 500 barrels of water per day, with a maximum of 1,000 barrels per day. Surface injection pressures will average 1,200 psig and will not exceed 2,500 psig unless and until a demonstration is made by step-rate test that higher injection pressures will not cause fracturing. Applicant requests that the order issued in this case include a provision for subsequent administrative approval of increased injection pressure limits upon submission of suitable demonstration.
- (n) The proposed waterflood operation is economically and technically feasible.
- (o) Applicant expects that secondary production will at least equal primary production from the Unit Area, and the value of secondary production will exceed the costs of the proposed operations.
- (p) The proposed waterflood operation will result in recovery of substantially more hydrocarbons from the pool and the Unit than would otherwise be recovered, the value of which will exceed unit costs plus a reasonable profit, and will benefit both working interest and royalty interest owners in the Unit Area.
- (q) The Ogallala fresh water aquifer overlies the Unit Area, and is found at depths from 54 to 160 feet below the surface. The only fresh water wells in the vicinity produce from these depths.
- (r) All plugged and abandoned wells that penetrate the Unitized Formation within the half-mile AOR of each proposed initial injection well are properly plugged and abandoned, and no remedial work is required on these wells to enable safe operation of the project.
- (s) There are no faults connecting the proposed unitized interval to any fresh water zone, or otherwise affecting the unitized interval.

The Division concludes as follows:

(9) Unitized management, operation and further development of the Unit Area are necessary to effectively carry on enhanced recovery operations, in order to substantially increase the ultimate recovery of oil from the Unit Area

(10) The proposed method of enhanced recovery operations within the Unit Area, as described in this Order, is feasible, will prevent waste, and will result, with reasonable probability, in the recovery of substantially more hydrocarbons from the unitized portion of the pool than would otherwise be recovered

(11) The estimated additional costs of the proposed operations will not exceed the estimated value of the additional hydrocarbons recovered plus a reasonable profit

(12) Unitization and implementation of enhanced recovery operations in the Unit Area, as described in the Unit Agreement, the Unit Operating Agreement and in this Order, will benefit the working interest and royalty interest owners within the proposed Unit Area, and will protect correlative rights of all parties

(13) Applicant has made a good faith effort to secure voluntary unitization of the Unitized Formation within the Unit Area

(14) The provisions of the proposed Unit Agreement and Unit Operating Agreement are fair, reasonable and equitable, contain satisfactory provisions with respect to all of the matters required by NMSA 1978 Section 70-7-7, as amended, and should be incorporated by reference into this order. The participation formula contained in the Unit Agreement allocates the produced and saved, unitized hydrocarbons to the separately owned tracts in the Unit Area on a basis that is fair, reasonable and equitable under the circumstances

(15) This Order creating a unit comprising the Unit Area and providing for the unitization and unitized operation of the Unit Area upon the terms and conditions approved herein is necessary to protect and safeguard the respective rights and obligations of the working interest owners and the royalty interest owners in the Unit Area

(16) As of the hearing date, Applicant, as owner of at least 81% of the working interest, had voluntarily committed its interests to the Unit. However, it was not shown that a second working interest owner has ratified the Unit, as required by NMSA 1978 Section 70-7-8

(17) Although Applicant's witness stated that the proposed Unit had been approved by more than 75% in interest of the owners of non-cost bearing interests, evidence to that effect in the form of actual ratifications was not presented

(18) Accordingly, this order should be made contingent upon final, written approval of the plan of unit operations by at least one other owner of a working interest in the Unit Area and by the owners of at least 75% of the production or proceeds thereof that will be credited to interests which are free of cost, such as royalties, overriding royalties and production payments

(19) Subject to the foregoing paragraph, the **Bobbi State Waterflood Unit** should be approved for statutory unitization in accordance with the Unit Agreement and Unit Operating Agreement

(20) **Sundown Energy, LP (OGRID 232611)** should be designated as the operator of the Unit

(21) The San Andres reservoir within the Unit Area has been so depleted that it is prudent to apply enhanced recovery techniques, as described in this Order, to maximize the ultimate recovery of crude oil from the Unit Area, and this application for approval has not been prematurely filed either for economic or technical reasons

(22) The proposed waterflood project, as described in this Order, will prevent waste, protect correlative rights, and accordingly should be approved and called the **Bobbi State Waterflood Project.**

(23) An examination of all wellbores within one half-mile of each of the proposed injection wells indicates that all wells in the AOR that have penetrated the Unitized Formation are properly cased and cemented to prevent vertical migration of injected fluids. Accordingly, no remedial work on wells in the AOR is required prior to commencement of injection

(24) The proposed injection operation will not pose a threat to protectable underground sources of drinking water

IT IS THEREFORE ORDERED THAT:

(1) The application of Sundown Energy, LP for the statutory unitization of 1,120 acres, more or less, of State of New Mexico lands in Lea County, New Mexico, to be known as the **Bobbi State Waterflood Unit** (the Unit), is hereby approved pursuant to the Statutory Unitization Act, NMSA 1978, Sections 70-7-1 through 70-7-21, as amended

(2) The Unit Area shall consist of the following described lands

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY

Section 20	All
Section 28	NW/4
Section 29	N/2

(3) The Unitized Formation shall consist of the interval within the San Andres formation from 100 feet above to 100 feet below the stratigraphic equivalent of the interval from 5,086 feet to 5,577 feet below the surface on the Compensated Neutron - Formation Density Log of the Bobbi State Well No 3 (API No 30-025-26954), located 330 feet from the South line and 2310 feet from the East line (Unit N) of Section 20, Township 18 South, Range 36 East, NMPM, in Lea County, New Mexico

(4) This Order shall not be effective until the plan of unit operations provided herein has been approved in writing by at least one other owner of a working interest in the Unit Area in addition to Applicant, and by the owners of at least 75% of the production or proceeds thereof that will be credited to interests which are free of cost such as royalties, overriding royalties and production payments [NMSA 1978 §70-7-8 (1975)], and the Division has made a finding in a supplemental order that the plan for unit operations has been so approved. The operator of the Unit shall comply with the requirements of this paragraph not later than one year from the date of issuance of this order, or seek an extension of time from the Division Director for good cause demonstrated by satisfactory evidence

(5) The proposed UNIT AGREEMENT and UNIT OPERATING AGREEMENT, admitted as EXHIBITS 1 and 6, respectively, at the hearing of these cases, are hereby approved and incorporated into this Order by reference

(6) **Sundown, LP [OGRID No. 232611]** (Operator) is hereby designated the operator of the Unit

(7) The Operator shall notify the Division in writing of its removal or the substitution of any other working interest owner within the Unit Area as operator, or of the transfer or assignment of its entire remaining working interest in the Unit Area

(8) The Unit established hereby shall terminate upon the plugging and abandonment of the last well in the Unit Area completed in the Unitized Formation

IT IS FURTHER ORDERED THAT

(9) Operator is hereby authorized to institute waterflood operations within the Unit Area initially by the injection of produced water into the Unitized Formation through the following wells

State of New Mexico W Well No. 2 (API No 30-025-26605), located 660 feet from the North and West lines (Unit D) of Section 28, Township 18 South, Range 36 East, in Lea County New Mexico

Bobbi Well No. 4 (API No 30-025-27586), located 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 20, Township 18 South, Range 36 East, in Lea County New Mexico

(10) Operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells

(11) Injection into each of the wells identified above shall be accomplished through plastic coated tubing installed in a packer set within 100 feet of the uppermost injection perforation or casing shoe. The casing-tubing annulus shall be filled with an inert fluid, and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer

(12) The injection wells or pressurization system shall be equipped with pressure control devices or acceptable substitute that will limit the surface injection pressure to no more than **1,057 pounds per square inch (psi)**, while injecting water

(13) The Division Director may administratively authorize pressure limitations in excess of that above upon a showing by the operator that such higher pressures will not result in the fracturing of the injection formation or confining strata

(14) The Division Director may administratively authorize additional injection wells within the Unit Area as provided in Division Rule 19 15 26 8 A NMAC

(15) Prior to commencement of injection operations, the casing in each injection well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing. Mechanical integrity tests (MITs) shall be conducted at least once every five years thereafter

(16) The Operator shall give at least 48 hours advance notice to the supervisor of the Division's Hobbs District Office of the date and time (i) injection equipment will be installed, and (ii) the mechanical integrity pressure tests will be conducted on each proposed injection well, so that these operations may be witnessed

(17) The Operator shall immediately notify the supervisor of the Division's Hobbs District Office of any failure of the tubing, casing or packer in any of the injection wells, or the leakage of water, oil or gas from or around any producing or plugged and abandoned well within the Unit Area, and shall promptly take all steps necessary to correct such failure or leakage

(18) The Operator shall conduct injection operations in accordance with Division Rules No 19 15 26 1 through 19 15 26 15 NMAC, and shall submit monthly progress reports in accordance with Division Rules No 19 15 26 11 B, and 19 15 7 8 D

(19) The injection authority granted herein shall terminate two years after the date of this order if the Operator has not commenced injection operations into at least one of the herein-authorized injection wells, provided, however, the Division, upon written request filed with the Division's Santa Fe Office prior to the termination date herein

provided, may grant an extension for good cause. The injection authority shall also terminate *ipso facto*, one year after injection operations into all the wells in the Unit Area have ceased.

(20) The project authorized by this order shall be known as the **Bobbi State Waterflood Project**.

(21) The injection authority granted under this order is **not** transferable except upon Division approval. The Division may require the Operator to demonstrate mechanical integrity of each injection well that will be transferred, prior to approving transfer of authority to inject.

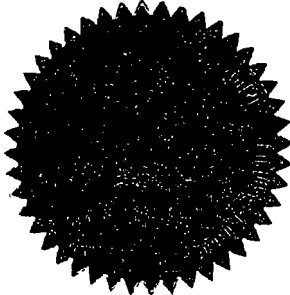
(22) The Division may revoke this injection permit at any time after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

(23) This order does not relieve the Operator of responsibility should its operations cause any damage or threat of damage to protectable fresh water, human health or the environment, nor does it relieve the operator of responsibility for complying with applicable Division rules or other federal, state or local laws or regulations.

(24) Upon failure of the Operator to conduct operations (1) in such manner as will protect fresh water or (2) in a manner consistent with the requirements in this Order, the Division may, after notice and hearing, (or without notice and hearing in event of an emergency, subject to the provisions of NMSA 1978 Section 70-2-23), terminate the injection authority granted herein.

(25) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

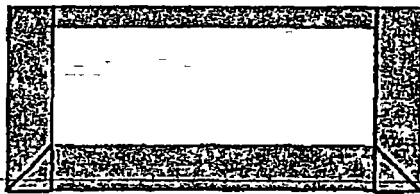
A handwritten signature in black ink, appearing to read "Jami Bailey".

JAMI BAILEY
Director

SUNDOWN ENERGY, LP
FORM C-108: AREA OF REVIEW WELL DATA
BOBBI STATE UNIT WATERFLOOD PROJECT

API NUMBER	OPERATOR	LEASE NAME	WELL NAME	WELL TYPE	STATUS	PVD	NS	FWD	EW	UNIT	SEC	TWP	RNG	DATE	TOTAL DEPTH	HOLE SIZE	CDL SIZE	SET AT	SK CNT	EST TOP	MTD	HOLE SIZE	CDL SIZE	SET AT	SK CNT	EST TOP	MTD	COMPLETION	REMARKS
30-025-25003	Rex Alcorn	Bobbi	1	P	PA	1980	S	1980	E	J	20	18S	36E	Aug-75	12,285'	17 1/2"	12 3/4"	333'	400	Surface	Circ.	11"	8 1/2"	5,010'	700	2,900'	Well File Calc.	5,552'-5,553' Perf.	PAY 5/78 Re-Entered & PAY 9/78 Schematic Attached
30-025-28358	Chesapeake Operating	Bobbi	1V	P	PA	1980	S	1980	E	J	20	18S	36E	Nov-79	11,050'	17"	13 3/8"	330'	325	Surface	Circ.	11"	8 5/8"	3,890'	1100	1,000'	T.B.	5,474'-5,483' Perf	PAY 2/81 Schematic Attached
30-025-29708	Chesapeake Operating	Bobbi	2	P	PA	330'	S	1980	E	O	20	18S	36E	May-80	5,650'	12 1/4"	8 5/8"	1,881	839	Surface	Circ.	7 7/8"	4 1/2"	5,850'	700	3,181'	T.B.	5,478'-5,539' Perf	PAY 5/88 Schematic Attached
30-025-29854	Sundown Energy, LP	Bobbi	3	P	TA	330'	S	2310'	W	N	20	18S	36E	Jul-80	5,700'	12 1/4"	8 5/8"	1,880	838	Surface	Circ.	7 7/8"	4 1/2"	5,700'	340	4,852'	CBL	5,485'-5,554' Perf	TA'd 4/89 w/CBP @ 5,450' w/3 ex. core
30-025-27841	Sundown Energy, LP	Bobbi S RVRB	5	P	Active	2310'	H	990'	W	E	20	18S	36E	Nov-81	5,724'	12 1/4"	8 5/8"	1,885	700	Surface	Circ.	7 7/8"	4 1/2"	5,713'	175	5,100'	Calc.	5,295'-5,307' Perf	
30-025-03977	V H Westbrook	State W	1	P	PA	330'	N	330'	W	D	20	18S	36E	Jan-58	12,245'	17"	13 3/8"	312'	300	Surface	Circ.	13"	9 5/8"	4,789'	1288	415'	T.S.	12,140' 12,188' Perf	PAY 4/82 Re-Entered & PAY 12/78 Schematic Attached
30-025-03978	Sundown Energy, LP	State of New Mexico	1	P	Active	990'	N	1650'	E	B	20	18S	36E	Jul-58	12,214'	17"	13 3/8"	319'	350	Surface	Circ.	13"	9 5/8"	4,759'	2088	Surface	Circ.	5,489'-5,508' Perf	PBTD 5,535'
Well plugged 11/58 40 Sx @ 12,080'; 20 Sx @ 10,430'; 50 Sx @ 7,950'; 50 Sx @ 6,150'; 30 Sx @ 4,759'; 10 Sx @ Surface Re-entered 10/78: Circulated hole to 5,650'. Set 5 1/2" liner 4,878'-5,632' & cemented w/280 ex. PBTD 5,555'.																													
30-025-27032	Sundown Energy, LP	State of New Mexico	2	P	Active	880'	N	1980'	W	C	20	18S	36E	Sep-80	5,800'	12 1/4"	8 5/8"	1,898	830	Surface	Circ.	7 7/8"	4 1/2"	5,800'	225	4,500'	Well File	5,152'-5,518' Perf.	
30-025-28071	Yates Petroleum Corp	Greendale VM State	1	P	PA	1650'	N	330'	E	H	19	18S	36E	Feb-83	5,700'	12 1/4"	8 5/8"	1,822	1080	Surface	Circ.	7 7/8"	5 1/2"	5,892'	485	3,213'	Calc.	5,312'-5,547' Perf	PAY 7/83 Schematic Attached

Rex Alcorn
Bobbi No. 1
API No. 30-025-25065
1980' FSL & 1980' FEL (Unit J)
Section 20, T-18 South, R-36 East, NMPM



10 sx. cmt @
surface

75' cmt. plug
@ 333'

17 1/2" Hole; Set 12 1/2" Csg @ 333'
Cemented w/400 Sx.
TOC @ surface by calc.

Drilled: 8/75
Plugged: 5/76
Re-Entered &
Re-Plugged: 6/79

Cut 8 5/8" csg. & pulled @ 1,159'. Spot 75'
cmt. plug @ 1,174 after unsuccessful re-entry.

TOC @ 2,900' (Well File)

Cut 5 1/2" csg & pulled @ 4,741'. Spot 70 sx. cement stub plug @ 4,741'

TOC @ 4,750' (Estimated)

11" Hole; Set 8 1/2" Csg @ 5,010'
Cemented w/700 sx.
TOC @ 2,900' (Well File)

Set CIBP @ 5,420 w/30 sx. cement on top

San Andres perforations: 5,552'-5,583'

7 7/8" Hole; Set 5 1/2" Csg. @ 5,694'
Cemented w/200 Sx.
TOC @ 4,750' (Estimated)

Set 35 sx. cmt. plug 5,800'-5,900'

Set 35 sx. cmt. plug 6,600'-6,700'

Set 35 sx. cmt. plug 8,600'-8,700'

Set 35 sx. cmt. plug 10,400'-10,500'

Set 35 sx. cmt. plug 10,800'-10,900'

7 7/8" hole drilled to 12,266'

T.D. 12,266'

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION
P O BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

3a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
b. State Oil & Gas Lease No
L-2948

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR
USE "APPLICATION FOR PERMIT" (Form C-101) FOR SUCH PROPOSALS

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Rex Alcorn	8. Farm or Lease Name Bobb1
3. Address of Operator Ingram Bldg., 100 South Kentucky, Roswell, New Mexico 88201	9. Well No. 1
4. Location of well UNIT LETTER J 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE, SECTION 20 TOWNSHIP 18 S RANGE 36 E NMPW	10. Field and Pool, or Hilocal New Field Wildcat
11. Elevation (Show whether DF, RT, GR, etc.) 3829 GR 3842 DF	12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATIONS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
		OTHER Junked & Abandoned <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

(Re-entry attempt of former Coquina Oil Corp. No. 1 State "KNN")

Subsequent to one-week attempt to enter 8 5/8" casing as per attached daily progress report, efforts proved unsuccessful. Hole was Junked and abandoned and P&A as follows:

June 2, '79 75 foot plug @ 1174' (8 5/8" stub)
75 foot plug @ 333' (12 3/4" surface casing)
10 sacks @ surface

Operator will skid 50 feet east and start new hole from surface.

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

SIGNED Rex Alcorn TITLE Operator DATE June 12, 1979

Orig. Signed by
Jerry Sexton
Dist. 1, Supv.

APPROVED BY Jerry Sexton TITLE Dist. 1, Supv. DATE JUN 22 1979

CONDITIONS OF APPROVAL, IF ANY.

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OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

3a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
5. State Oil & Gas Lease No 1-2948	
7. Unit Agreement Name	
8. Farm or Lease Name State KNN	
9. Well No. 1	
10. Field and Pool, or Wildcat West Arkansas Junction (SA)	
12. County Lea	
15. Elevation (Show whether DF, RT, GR, etc.) 3829'	

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

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103

PLUGGED AND ABANDONED AS FOLLOWS:

Pulled 4,741.62' of 5 1/2" casing and 1159.04' of 8 5/8" casing.

1. Set CIBP at 5420' with 30 sacks on top.
2. Spotted 70 sacks reg. in and out of 5 1/2" stub at 4741'.
3. Spotted 75 sacks reg. in and out of 8 5/8" stub at 1159'.
4. 75 sacks reg at 276'.
5. 10 sacks at surface.

Mud was placed between all plugs.

Welded on dry hole marker.

May 26, 1976, operations complete.

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

SIGNED Alan Bump TITLE Engineering Assistant DATE May 27, 1976

APPROVED BY John W. Ramsey TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-03
Supersedes Old
C-101 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS	
DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT -" FORM C-101 FOR SUCH PROPOSALS	
1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	5a. Indicate Type of Lease - State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
Name of Operator <u>Coquina Oil Corporation</u>	5. State Oil & Gas Lease No.
Address of Operator <u>P. O. Drawer 2960, Midland, Texas 79701</u>	7. Unit Agreement Name
Location of Well UNIT <u>LL-18A</u> <u>J</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>1930</u> FEET FROM THE <u>East</u> LINE SECTION <u>20</u> TOWNSHIP <u>18S</u> RANGE <u>36E</u> NMPV	8. Name of Lease Name <u>State KNN</u>
	9. Well No. <u>1</u>
	10. Field and Pool, or Wildcat <u>Arkansas Junction Dev.</u>
15. Elevation (Show whether DT, RT, CR, etc.) <u>3829 GL</u>	12. County <u>Lea</u>

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATIONS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	
		OTHER <u>Drilling to Completion</u> <input checked="" type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103

Spudded at 10:00 a.m., Aug. 2, 1975. On August 4, ran 333.18' of 12 3/4" 40# 8rd STC casing in 17 1/2" hole; cmt. casing with 400 sx class C, 2% CaCl₂ and 1/4# Flocele. August 19, ran 5010.91' of 8 5/8" 32# J-55 STC casing and cemented with 500 sx class C with 1/4# Flocele, plus 200 sx class C with 2% CaCl₂ + V4 Flocele, cement top at 2900'. Sept. 22 lost circ. At 12,245' pulled 20 std. Mix 75 bbls. WIH. Circ. 2 1/4 hrs. Lost comp. ret. Pulled 15 std. Pump 300 bbls.--no return. Sept. 24, reach T.D. at 12,266'. Sept. 26, prep to set plug to PBTD & DST 10,878'-10,970'. Dress off plug to 10,970'. Check press. drop. Decide not to attempt San Andres completion. Sept. 27, set cement plug @ 10,206', cmt. w/ 150 sx class 4, 6% CFRZ, 5# sd/sx. Sept. 30, PBTD to 5800'. Set plugs as follows:

10,800'-10,900'	35 SX
10,400'-10,500'	35 SX
8,600'-8,700'	35 SX
6,600'-6,700'	35 SX
5,800'-5,900'	35 SX

Oct. 1, ran 5 1/2" 15.5# K-55 8rd casing. Landed @ 5,694'. Oct. 2-6, WO Completion.

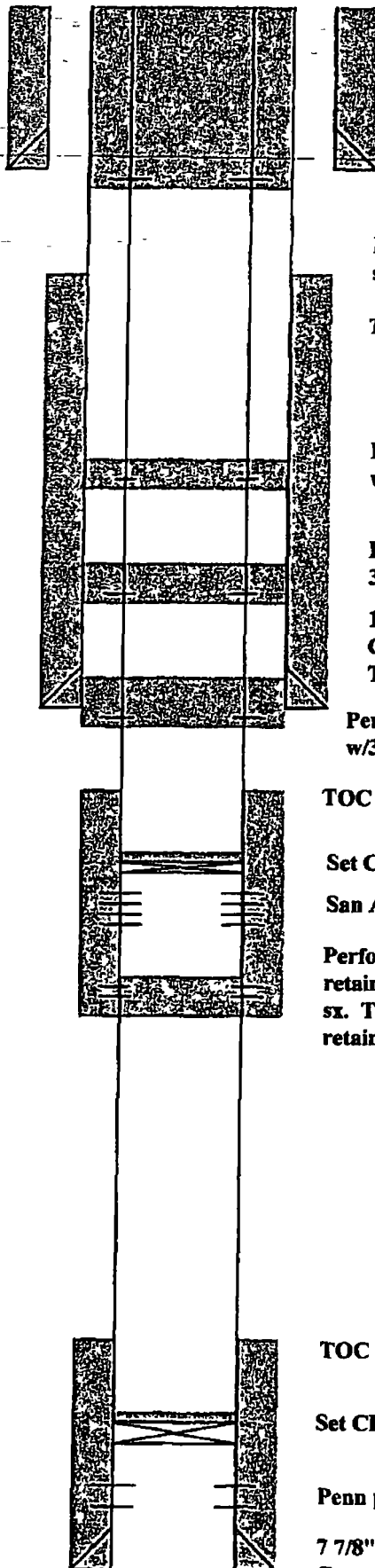
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [Signature] TITLE Eng. Asst. DATE 10-7-75

APPROVED BY [Signature] TITLE [Signature] DATE [Signature]

CONDITIONS OF APPROVAL, IF ANY: Insp.

Chapeake Operating, Inc.
Bobbi No. 1Y
API No. 30-025-26356
1980' FSL & 1930' FEL (Unit J)
Section 20, T-18 South, R-36 East, NMPM



17" Hole; Set 13 3/8" csg @ 330'

Cemented w/325 Sx.

Cement circulated to surface

Perforate 5 1/2" csg. @ 380' & squeezed w/100
sx. cmt. Cement circulated to surface.

TOC @ 1,000' by T.S.

Perforate 5 1/2" csg. @ 2,006' & squeezed
w/30 sx. cmt. Tagged @ 1,800'

Perforate 5 1/2" csg. @ 3,280 & squeezed w/
30 sx. cmt. Tagged @ 3,050'

11" Hole; Set 8 5/8" csg @ 3,800'

Cemented w/1100 sx.

TOC @ 1,000' by T.S.

Perforated 5 1/2" csg. @ 3,850' & squeezed
w/30 sx. cmt. Tagged @ 3,695'

TOC @ 4,484' by CBL

Set CIBP @ 5,400' w/cement 5,146'-5,400'

San Andres Perforations: 5,474'-5,480'

Perforate 5 1/2" csg. @ 5,700'. Ran cmt.
retainer & set @ 5,635'. Squeezed w/300
sx. TOC @ 4,484' by CBL. Cmt. plug &
retainer in csg. 5,620'-5,700'

TOC @ 10,200' by T.S.

Set CIBP @ 10,700' w/35' of cement on top

Penn perforations: 10,863'-10,933'

7 7/8" Hole. Set 5 1/2" csg. @ 11,050'

Cemented w/185 sx.

TOC @ 10,200' by T.S.

T.D. 11,050'

Drilled: 1179

Plugged: 8/09

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr., Hobbs, NM 88248
District II
1301 W Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
RECEIVED
OIL CONSERVATION DIVISION
AUG 25 2009
HOBBS
20 South St Francis Dr.
Santa Fe, NM 87505

Form C-103
June 19, 2008

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR—USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-025-26356
1 Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5 Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2 Name of Operator Chesapeake Operating, Inc.		6. State Oil & Gas Lease No
3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154-0496		7 Lease Name or Unit Agreement Name Bobb
4 Well Location Unit Letter J 1980' feet from the South line and 1930' feet from the East line Section 20 Township 18S Range 36E NMPM County Lea		8 Well Number 1Y
11 Elevation (Show whether DR, RKB, RT, GR, etc) 3832' GR		9 OGRID Number 147179
		10 Pool name or Wildcat Arkansas Junction, San Andres, West

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

NOTICE OF INTENTION TO
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☒
CASING/CEMENT JOB ☐

OTHER ☐

OTHER ☐

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

Please find the following work performed in the plug and abandonment of this well from 8/13/09 through 8/19/2009
MIRU PU & SE. NDWH & NUBOP. POOH w/178 jts of 2 7/8" tbg RU WL & RIH w/gauge ring to 5620' & tagged top of cement retainer POOH w/WL RIH w/ 5 1/2" bridge plug & set @ 5400' POOH w/WL RIH w/ 173 of 2 3/8" jts tbg Circ hole w/plugging mud Spot 25 sxs class "C" cmt from 5400' to 5146', Est top/cmt. Stood back tbg RIH w/WL & perf csg at 3850' POOH w/WL. RIH w/ AD1-pkr & 55 jts of 2 3/8" tbg. Set pkr at 3433'. Break circ out 8 5/8" csg Sqzd 30 sxs class "C" cmt Est top/cmt 3750' WOC Unseat pkr & POOH RIH w/open ended tbg Tag top/cmt 3695' POOH w/tbg & RIH w/WL Perf at 3280', POOH w/ WL RIH w/AD1 pkr & 46 stds Set at 2871'. Circ through 8 5/8" Sqzd 30 sxs class "C" cmt WOC POOH w/tbg & pkr. RIH open ended & tagged cmt @ 3050'. POOH w/tbg. RIH w/WL Perf @ 2006'. POOH w/WL RIH w/AD1-PKR & 26 stds Pkr set @ 1622' Circ out 8 5/8". Sqzd 30 sxs class "C" cmt WOC RIH w/WL & tag cmt @ 1800' POOH w/wireline POOH w/tbg & pkr RIH w/ WL & prf at 380'. POOH w/ WL. RIH w/AD-1 PKR & 1 jt of tbg Set pkr at 30' CO 8 5/8" Sqzd 100 sxs class "C" cmt to surface POOH w/pkr & tbg Fill cmt to surface. Rig down all equipment Release PU
Well P&A'd on 8/19/2009 Turn well over to production for final clean up

Approved for plugging of well bore only.
Liability under bond is retained pending receipt of C-101 (Subsequent Report of Well Plugging) which may be found on NM's Web Page under <http://www.nmenergy.state.nm.us/ocd>.

Spud Date

Rig Release Date

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

SIGNATURE

TITLE Senior Regulatory Compl Sp

DATE 08/24/2009

Type or print name Bryan Arrant

E-mail address. bryan.arrant@chk.com

PHONE (405)935-3782

For State Use Only

APPROVED BY

TITLE DISTRICT 1 SUPERVISOR

DATE SEP 01 2009

Conditions of Approval (if any)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Free <input type="checkbox"/>
5. Sale Of. & Gas Lease No.
L-2948
7. Unit Agreement Name
8. Firm of Lease Name
Bobbi
9. Well No.
1-Y
10. Field and Pool, or Wildcat
N. Ark. Junct.-SA
12. County
LEA

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR
USE APPLICATION FOR PERMIT - (FORM C 101) FOR SUCH PROPOSALS.

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator
Rex Alcorn
3. Address of Operator
Ingram Building, 100 So. Kentucky, Roswell, New Mexico 88201
4. Location of Well
LEFT CORNER J 1980 FEET FROM THE South LINE AND 1930 FEET FROM
THE East LINE SECTION 20 TOWNSHIP 18 S RANGE 36 E NMPM
11. Elevation (Show whether DF, RT, GR, etc.)
3832' GR 3848' KB

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPERATIONS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/>
Plug Back to W. Ark. Junct.- SA	

17. Describe Proposed or Completed Operation (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Well formerly completed as Arkansas Junction-Penn from perfs 10,863' to 10,933'. Pulled rods, pump, tubing and anchor. Ran and set 5 1/2" cast iron bridge plug at 10,700' and spotted 35' cement on top plug. Perf 4 shots at 5700', ran cement retainer and set at 5635'. Squeezed with 300 sacks Class C with 3# KCL, 3% Halad-4 and 4% CER 2. Pulled off retainer and spotted 150 gals 15% MCA acid. Ran GR with collar locator and bond log. Good bond with top cement at 4484'. Perf 2 shots per foot at 5474, 76, 78 & 80. Ran RTTS tool on tbg, tagged bottom at 5623' from KB. Set RTTS at 5357', displaced hole with 2% KCL wtr, acidized with 2000 gals 15% MCA acid and 12 ball sealers. Swabbed dry with show gas and oil. Halliburton fraced down 2 7/8" tbg. with 10,000 gals gelled 2% KCL wtr plus 10,000 gals liquid CO2 plus flush and 18,000 lbs 20/40 sand and 22,500 lbs 10/20 sand. Av trtg pressure 5050#, av inj rate 13 BPM, ISIP 2550#, 2190 in 15 mins. Flowed back portion of load. Swabbed dry with show oil and gas. Pulled tbg and RTTS. Ran 179 jts 2 7/8" tbg with seating nipple and tbg anchor. Seating nipple at 5520' from KB, bottom tagged at 5623'. Ran rods and pump and put on pump. From 12-24-80 to 2-5-81 produced average 3 BOPD plus 30-40% load water. On Feb. 5, 1981, pulled rods and pump, changed out pumping unit from size 640 to Lufkin 114. Pulled tbg, ran tracer survey which indicated treatments entered pay zone. Ran 178 jts 2 7/8" tbg with seating nipple and anchor, bull plug on bottom jt used for mud anchor. SM @ 5489' from KB. Ran 2 x 1 1/2 x 16 pump, 159 jts 3A" & 58 jts 7/8" rods w/2' sub above pump. POP : work completed 2-9-81.

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

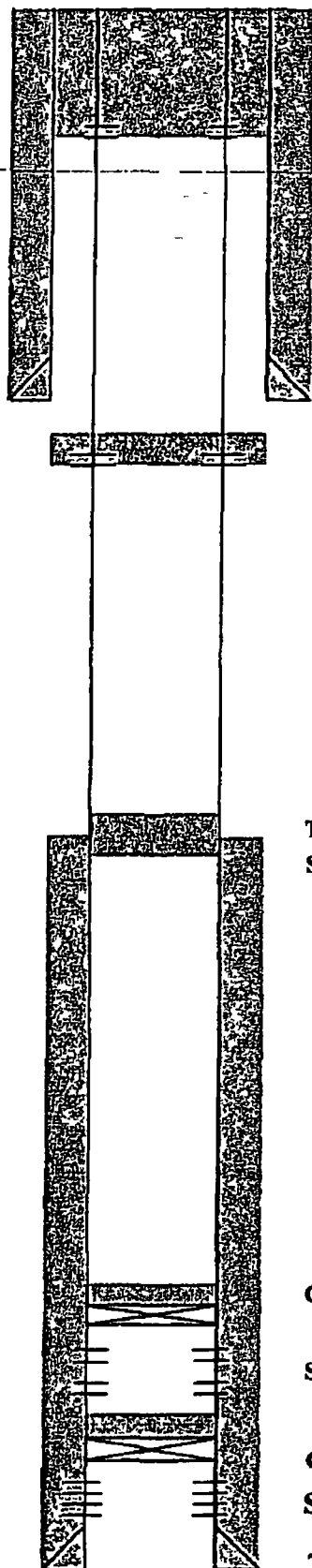
SIGNED Rex Alcorn TITLE Operator DATE 3-4-81

APPROVED BY Don L. Jones TITLE Don L. Jones DATE MAR 6 1981

CONDITIONS OF APPROVAL IF ANY:

(initials)

Chesapeake Operating, Inc.
Bobbi No. 2
API No. 30-025-26796
330' FSL & 1980' FEL, Unit O
Section 20, T-18S, R-36E



Perforate 4 1/2" csg. @ 450'.
Pumped 135 sx. cmt. down
4 1/2" csg. to surface out of
8 5/8" csg. Leave csg. full.

Drilled: 5/1980
PA'd: 5/2008

12 1/4" Hole; Set 8 5/8" csg. @ 1881'
Cemented w/839 sx.
Cement circulated to surface

Perforate 4 1/2" csg. @ 1,931'. Set packer
@ 1,512' & squeeze w/40 sx. cmt.

TOC @ 3,161' by T.S.
Set 25 sx. cmt. plug @ 3,204'

CIBP @ 5,376' w/25 sx. cement on top

San Andres perforations: 5,476'-5,486'

CIBP @ 5,510' w/10' cement on top
San Andres perforations: 5,523'-5,535'

7 7/8" Hole; Set 4 1/2" csg. @ 5,650'
Cemented w/700 Sx.
TOC @ 3,161' by T.S.

T.D. 5,650'

890917

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr., Hobbs, NM 87240
 District II
 1301 W Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

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

WELL API NO 30-025-26796
5 Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6 State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name BOBBY
8. Well Number 2
9. OGRID Number 147179
10 Pool name or Wildcat Arkansas Junction; San Andres West

SUNDRY NOTICES AND RECOMMENDATIONS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR RE-ENTER A WELL OR TO BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well
 Oil Well ☒ Gas Well ☐ Other ☐
 2. Name of Operator
 CHESAPEAKE OPERATING, INC.
 3. Address of Operator
 2010 Rankin Hwy., Midland, TX 79701

JUN 02 2008

HOBBS OCD

4 Well Location
 Unit Letter O 330 feet from the SOUTH line and 1980 feet from the EAST line
 Section 20 Township 18 S Range 36 E NMPM LEA County NM
 11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,832 GR
 Pit or Below-grade Tank Application ☐ or Closure ☐
 Pit type STEEL Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ in. Below-Grade Tank: Volume _____ bbls, Construction Material _____

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS ☐ PLUG AND ABANDONMENT ☒
 CASING TEST AND CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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

5-21-08 Set 4 1/2" C I.B P. 85,376'.

5-22-08 Circulate hole with mud. Spot 25 sx. cnt. 85,376'. Spot 25 sx. cnt. 83,204'. Perf. 4 holes @1,931'. Set pkr. @1,512'. Sgs. 40 sx. cnt. Perf. 4 holes @450'.

5-23-08 Pump 135 sx. cnt. down 4 1/2" to surface out of 8 5/8". Leave 4 1/2" full of cement. Install Dryhole Marker.

Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.cmr.d.state.nm.us/oed.

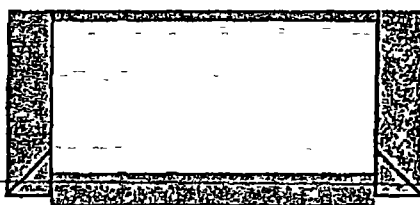
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE: [Signature] TITLE: P & A SUPERV. DATE: 5-27-08
 Type or print name: GARY EGLESTON E-mail address: _____ Telephone No: (432) 530-0907

For State Use Only

APPROVED BY: [Signature] TITLE: DISTRICT SUPERVISOR/GENERAL MANAGER DATE: JUN 05 2008
 Conditions of Approval, if any: _____

H. Westbrook
State of New Mexico W No. 1
API No. 30-025-03977
330' FNL & 330' FWL (Unit D)
Section 28, T-18 South, R-36 East, NMPM



10' cmt plug
@ surface

17" Hole; Set 13 3/8" csg @ 312'

Cemented w/300 Sx.

Cement circulated to surface

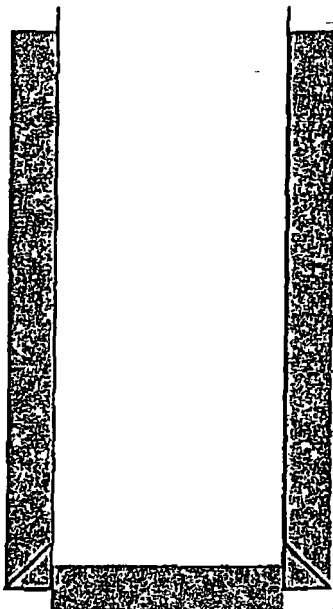
Cut 9 5/8" csg. & pulled @ 380'. Set 100' cmt.
plug 262'-362' after unsuccessful re-entry.

Drilled: 1/58

Plugged: 4/62

Re-Entered &

Re-Plugged: 12/79



13" Hole; Set 9 5/8" csg @ 4,789'

Cemented w/1266 sx.

TOC @ 415' by T.S.

Set 25 sx. cmt. Plug 4,760'-4,820'



Set 25 sx. cmt. Plug 5,560'-5,600'



Set 25 sx. cmt. plug 7,800'-7,840'

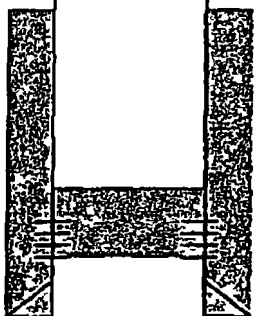


Set 25 sx. cmt. plug 8,580'-8,620'



Cut & pulled 5 1/2" csg. @ 9,915'. Set 25
sx. cmt plug 9,879'-9,949'

TOC @ 10,010 by T.S.



Set 25 sx. cmt. plug 12,005'-12,180'

Devonian perforations: 12,140'-12,186'

9 5/8" hole; Set 5 1/2" csg. @ 12,245'

Cemented w/525 sx.

TOC @ 10,010' by T.S.

T.D. 12,245'

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-85

<p align="center">SUNDRY NOTICES AND REPORTS ON WELLS</p> <p align="center"><small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS)</small></p>		<p>5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/></p> <p>5. State Oil & Gas Lease No.</p>
<p>1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> Re-Entry</p> <p>2. Name of Operator V. H. Westbrook</p> <p>3. Address of Operator P.O. Box 2264 Hobbs, New Mexico 88240</p> <p>4. Location of Well UNIT LETTER D 330 FEET FROM THE North LINE AND 330 FEET FROM THE West LINE SECTION 28 TOWNSHIP 18-S RANGE 36-E NMPM</p>	<p>7. Unit Agreement Name L 4236</p> <p>8. Form or Lease Name State of NM "W"</p> <p>9. Well No. # 1</p> <p>10. Field and Pool, or Wildcat W. Arkansas S.A.</p>	
<p>15. Elevation (Show whether DF, RT, GR, etc.) 3823 G.L.</p>	<p>12. County Lea</p>	

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

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

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

12-11-79

1. Set 100' Plug 50' below 13-3/8" surface and 50' into 13-3/8" Casing
100' plug from 362' to 302'

2. Loaded hole w/10# Gelled Brine

3. Set 10' plug @ surface in 13-3/8" surface w/4-1/2" Marker erected.

(Worked performed as directed by OCC, Mr. Les Clements)

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

SIGNED *V. H. Westbrook* TITLE Operator DATE 9/15/87

APPROVED BY *R. Chalker* TITLE OIL & GAS INSPECTOR DATE SEP 18 1987

CONDITIONS OF APPROVAL, IF ANY:

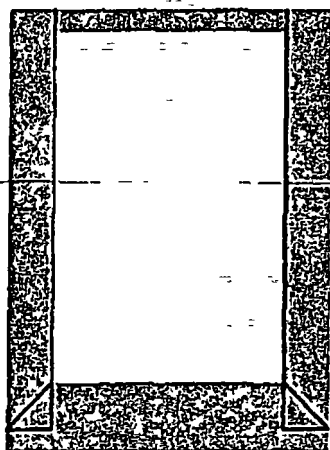
NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Texas Pacific Coal & Oil Co. & The Pure Oil Co.					Address P. O. Box 1688, Hobbs, New Mexico														
Lease State of New Mexico	Well No. 1	Unit Letter D	Section 28	Township 18-S	Range 36-E														
Date Work Performed 3/18 - 4/6 - 1962	Pool Arkansas Junction Devonian		County Lea																
THIS IS A REPORT OF: (Check appropriate block)																			
<input type="checkbox"/> Beginning Drilling Operations		<input type="checkbox"/> Casing Test and Cement Job		<input type="checkbox"/> Other (Explain):															
<input checked="" type="checkbox"/> Plugging		<input type="checkbox"/> Remedial Work																	
Detailed account of work done, nature and quantity of materials used, and results obtained.																			
The following work was performed in plugging this well.																			
1. Loaded hole with 9 lb./gal. salt water gel. 2. Spotted 25 sxs. cement plug from 12,005-12,180' over Devonian perforations. 3. Cut and pulled 5-1/2" cag. from 9915'. 4. Placed cement plugs as follows: <table style="margin-left: 40px; border: none;"> <tr> <td>9879-9949'</td> <td>20 sxs.</td> <td>5560-5600'</td> <td>25 sxs.</td> </tr> <tr> <td>8580-8620'</td> <td>25 sxs.</td> <td>4760-4820'</td> <td>40 sxs.</td> </tr> <tr> <td>7800-7840'</td> <td>25 sxs.</td> <td></td> <td></td> </tr> </table>								9879-9949'	20 sxs.	5560-5600'	25 sxs.	8580-8620'	25 sxs.	4760-4820'	40 sxs.	7800-7840'	25 sxs.		
9879-9949'	20 sxs.	5560-5600'	25 sxs.																
8580-8620'	25 sxs.	4760-4820'	40 sxs.																
7800-7840'	25 sxs.																		
5. Cut and pulled 9-5/8" cag. from 380'. 6. Placed 85 sxs. cement plug from 290-403'. 7. Placed 10 ex. cement plug and marker at surface. 8. Leveled pit and cleaned up location.																			
4420' 9-5/8" Cag. and 311' of 13-3/8" cag. left in well.																			
Witnessed by Ballins M. Roth		Position Petroleum Engineer		Company Texas Pacific Coal & Oil Company															
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY																			
ORIGINAL WELL DATA																			
D F Elev.	T D		P B T D		Producing Interval		Completion Date												
Tubing Diameter		Tubing Depth		Oil String Diameter		Oil String Depth													
Perforated Interval(s)																			
Open Hole Interval				Producing Formation(s)															
RESULTS OF WORKOVER																			
Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD													
Before Workover																			
After Workover																			
OIL CONSERVATION COMMISSION				I hereby certify that the information given above is true and complete to the best of my knowledge.															
Approved by <i>Leslie A. Clements</i>				Name <i>Ballins M. Roth</i>															
Title				Position Petroleum Engineer															
Date ML				Company Texas Pacific Coal & Oil Company															



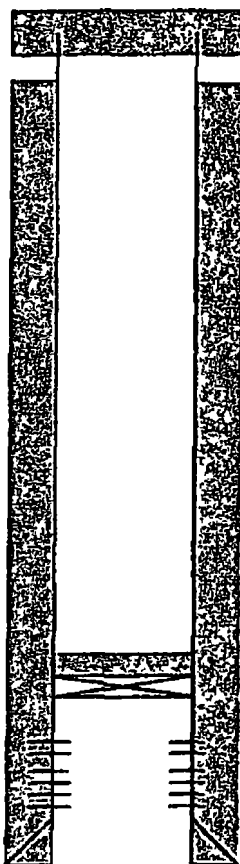
Spot 15 sx. cement
plug @ surface

Yata Petroleum Corporation
Creosote VM State No. 1
API No. 30-025-28071
1650' FNL & 330' FEL, Unit H
Section 19, T-18S, R-36E

12 1/4" Hole; Set 8 5/8" 24# csg. @ 1822'
Cemented w/1000 sx.
Cement circulated to surface

Drilled: 2/1983
Plugged: 7/1993

Spot 90 sx. cement shoe plug. Tagged plug @
1,810'. Spot 25 sx. additional cement plug &
tagged @ 1,729'



Cut & pulled 3,029' of 5 1/2" csg. Spot 40 sx.
stub plug 2,965'-3,152' (Tagged)
TOC @ 3,213' by calc.

Set CIBP @ 5,250' w/cement 5,215'-5,250'

San Andres Perforations: 5,312'-5,547'

7 7/8" Hole; Set 5 1/2" 15.5# csg. @ 5,692'
Cemented w/465 Sx.
Calculated TOC @ 3,213'

T.D. 5,700'

STRICT I
O. Box 1980, Hobbs, NM 88240

STRICT II
O. Drawer DD, Artesia, NM 88210

STRICT III
00 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO	30-025-28071
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-3862
7. Lease Name or Unit Agreement Name	Creosote VM State
8. Well No.	1
9. Pool name or Wildcat	Arkansas Junction SA West

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

Type of Well:
OIL WELL ☐ GAS WELL ☐ OTHER P & A Well

Name of Operator
YATES PETROLEUM CORPORATION

Address of Operator
105 South 4th St., Artesia, NM 88210

Well Location

Unit Letter H : 1650 Feet From The North Line and 330 Feet From The East Line

Section 19 Township 18S Range 36E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3847' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
REPAIR OR ALTER CASING ☐
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ PLUG AND ABANDONMENT ☒
CASING TEST AND CEMENT JOB ☐
OTHER ☐

2. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Moved in and rigged up pulling unit. POOH w/rods, pump, anchor and tubing. WIH w/5-1/2" CIBP and set at 5250'. POOH. Ran tubing in hole to top of plug. Loaded hole with mud. Spotted 35' of cement on top of CIBP. POOH w/tubing. Dug out cellar. Cut plate around casing. Stretch casing for free point. Showed to be free at 3100'. WIH w/casing cutter and cut casing at 3029'. Pulled and laid down 5-1/2" casing. RIH w/tubing to 3152'. Spotted 40 sacks of cement across 5-1/2" stub. Pulled 25 stands tubing. WOC. RIH and tagged cement top at 2965'. Pulled and laid down tubing to 2075'. Spotted 90 sacks of cement across 8-5/8" shoot. WOC. RIH w/tubing and tagged cement at 1810'. Cement plug was too low. Re-spotted a 25 sack cement plug. WOC. RIH and tagged plug at 1729'. Pulled and laid down tubing. Spotted a 15 sack surface plug. Installed regulation abandonment marker. PLUGGED AND ABANDONED - FINAL REPORT.

Plugging completed July 31, 1993.

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

SIGNATURE Rusty Klein TITLE Production Clerk DATE Sept. 4, 1993

TYPE OR PRINT NAME Rusty Klein

TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

STATE INSPECTOR

MAR 24 1995

Handwritten signature/initials

Location of Water Well Analysis

T18S, R36E, Lea County, New Mexico

Cunningham Well # 2: located in Center of Section 21

Cunningham Well # 13: located in Center of Section 29

Cunningham Well # 14: located in Center of Section 20



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(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 (quarters are 1=NW 2=NE 3=SW 4=SE)
closed) (quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
<u>L 03757</u>	L		LE	1	1	28	18S	36E		653128	3621865*	125	45	80
<u>L 06641</u>	L		LE	4	2	1	30	18S	36E	650410	3621720*	110	42	68
<u>L 12367</u> POD1	L		LE	1	2	4	28	18S	36E	654244	3621167	92	75	17
													Average Depth to Water	54 feet
													Minimum Depth	42 feet
													Maximum Depth	75 feet

Record Count: 3

PLSS Search:

Section(s) 28-30

Township 18S

Range. 36E

*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



New Mexico Office of the State Engineer Water Column/Average Depth to Water

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

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

closed) (quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 01250	L	LE		3	3	2	21	18S	36E	653812	3622986*	123	40	83
L 07469	L	LE		2	1	3	21	18S	36E	653213	3622770*	160	70	90
Average Depth to Water													55 feet	
Minimum Depth													40 feet	
Maximum Depth													70 feet	

Record Count: 2

PLSS Search:

Section(s) 19-21

Township 18S

Range 36E

*UTM location was derived from PLSS - see Help

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New Mexico Office of the State Engineer

Water Column/Average Depth to Water

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

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

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

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

(In feet)

POD Number	Code	Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
<u>L 01250</u>	L	LE		3	3	2	21	18S	36E	653812	3622986*	123	40	83
<u>L 01533 S2</u>	L	LE		1	4	1	18	18S	36E	650163	3624741*	138	52	86
<u>L 01542</u>	L	LE		1	1	4	16	18S	36E	653792	3624394*	223		
<u>L 01544</u>	L	LE		1	1	4	18	18S	36E	650572	3624344*	222	60	162
<u>L 01545</u>	L	LE		1	1	4	19	18S	36E	650599	3622732*	214	60	154
<u>L 01547</u>	L	LE		1	1	4	21	18S	36E	653819	3622784*	210		
<u>L 01632 POD5</u>	L	LE		4	1	3	21	18S	36E	653213	3622570*	155	60	95
<u>L 03119</u>	L	LE		1	1	4	17	18S	36E	652181	3624367*	216	38	178
<u>L 03120</u>	L	LE		1	1	4	20	18S	36E	652208	3622756*	212		
<u>L 07409</u>	L	LE		1	4	4	20	18S	36E	652618	3622360*	126	59	67
<u>L 07469</u>	L	LE		2	1	3	21	18S	36E	653213	3622770*	160	70	90
<u>L 13602 POD1</u>	L	LE		1	2	2	18	18S	36E	651033	3625091	210	60	150

Average Depth to Water **55 feet**

Minimum Depth **38 feet**

Maximum Depth **70 feet**

Record Count 12

PLSS Search

Section(s) 16-18, 19-21 Township 18S Range 36E

*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

4/6/17 8 54 AM

WATER COLUMN/ AVERAGE
DEPTH TO WATER



C-108 Review Checklist: Received 3/22/2017 Add Request 3/27/2011 Reply Date _____ Suspended _____ [Ver 15]

ORDER TYPE (WFX) / PMX / SWD Number _____ Order Date _____ Legacy Permits/Orders 12-13731

Well No 6 Well Name(s) Bubbi State WF Unit

API 30-0 25-03978 Spud Date 10-29-1978 New or Old OR (UIC Class II Primacy 03/07/1982)

Footages 1650 FEET Lot _____ or Unit B Sec 21 Tsp 18S Rge 36E County LC

General Location 2 7 miles W/HOB Pool San Andres West Pool No 2503

BLM 100K Map NOBBS Operator Sundown Energy, L.P. OGRID 23261 Contact Ben Stone, Agent

COMPLIANCE RULE 59 Total Wells 36 Inactive 0 Fincl Assur OK Compl Order? MA IS 59 OK? Y Date 6-29-2017

WELL FILE REVIEWED ☐ Current Status PRODUCER

WELL DIAGRAMS NEW Proposed ☐ or RE-ENTER Before Conv ☒ After Conv ☒ Logs in Imaging Y

Planned Rehab Work to Well _____

Well Construction Details	Sizes (in)		Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
	Borehole / Pipe					
Planned ___ or Existing ___ Surface	17" / 13 3/4"		350		350	SURFACE / VISUAL
Planned ___ or Existing ___ Interm/Prod	12 1/4" / 9 5/8"		4759		2066	SURFACE / VISUAL
Planned ___ or Existing ___ Interm/Prod	9 5/8" / 7"				600	
Planned ___ or Existing ___ Prod/Liner	8 3/4" / 6 1/2"		5632		290	4670 / 4430 / CAL
Planned ___ or Existing ___ Liner						
Planned ___ or Existing ___ OH / PERF	5444 - 5577			Inj Length 78'	Completion/Operation Details	

Injection Lithostratigraphic Units				Depths (ft)	Injection or Confining Units	Tops	Drilled TD <u>5852</u> 12058	PBTD <u>5555</u>
Adjacent Unit	Litho	Struc	Por				NEW TD _____	NEW PBTD _____
Confining Unit	Litho	Struc	Por				NEW Open Hole <input type="radio"/> or NEW Perfs <input checked="" type="radio"/>	
Proposed Inj Interval TOP							Tubing Size <u>2 3/8</u> in	Inter Coated? <input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM							Proposed Packer Depth <u>5399</u> ft	
Confining Unit	Litho	Struc	Por				Min Packer Depth <u>5399</u> (100-ft limit)	
Adjacent Unit	Litho	Struc	Por				Proposed Max Surface Press <u>1100</u> psi	
AOR: Hydrologic and Geologic Information							Admin Inj Press <u>1057</u> (0.2 psi per ft)	<input checked="" type="checkbox"/>

AOR: Hydrologic and Geologic Information

POTASH R-111-P MA Noticed? ☐ BLM Sec Ord ☐ WIPP ☐ Noticed? ☐ Salt/Salado T ☐ B ☐ NW Cliff House fm _____

FRESH WATER Aquifer Quaternary Max Depth 200' HYDRO AFFIRM STATEMENT By Qualified Person 0

NMOSE Basin LEG CAPITAN REEF thru adj NA No Wells within 1-Mile Radius? 3 FW Analysis L

Disposal Fluid Formation Source(s) Produced Analysis? _____ On Lease ☐ Operator Only ☐ or Commercial ☐

Disposal Int Inject Rate (Avg/Max BWPD) 100/200 Protectable Waters? _____ Source? _____ System Closed or Open

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

AOR Wells 1/2-M Radius Map? Y Well List? Y Total No Wells Penetrating Interval 8 Horizontals? NA

Penetrating Wells No Active Wells 5 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells. No P&A Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? Y

NOTICE. Newspaper Date March 20 Mineral Owner NMSLO Surface Owner NMSLO N Date March 23

RULE 26 7(A) Identified Tracts? _____ Affected Persons NMSLO N Date March 23

Order Conditions: Issues * Pri Ltd to 1057 psi -> 12-13731 O. Heening 12-13731