

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Sunday, July 10, 2011 7:13 PM
To: Rena Seay
Cc: Ezeanyim, Richard, EMNRD; Gonzales, Elidio L, EMNRD
Subject: Disposal application from Dwight A. Tipton; Sunray A 6822 LTD Well No. 3 30-025-31061 San Andres

Case 14917

Hello Eddie (As agent for Mr. Tipton)

We received the correspondence from Legacy agreeing to a limited disposal volume and have evaluated this application.

- a. There were several operators noticed, but I don't see exactly the mineral acreages controlled by each of these. There are open areas especially in the W/2 W/2 of Section 31 and the S/2 S/2 of Section 25. Anyway, can't determine for sure if all owners within the ½ mile AOR were notified without a tract map identifying these owners.
- b. There is one P&Aed well that would need to be re-entered and bounding plugs placed: 30-025-22946. It appears that pipe is still in this well to surface, so this may be an easy fix. If all plugs exist as shown on the supplied wellbore diagram, we can't approve this disposal well without that plugged well repaired.
- c. The biggest issue is the surrounding producing wells in the San Andres formation – Mr. Tipton should present a case at an examiner hearing where an expert reservoir engineer would show what effect this “disposal” would have on surrounding wells. I have been instructed not to process administrative applications for “disposal” whereby the disposal interval is directly into a producing interval or interval possibly capable of production. This could be considered as a pilot water injection project at a hearing.
- d. As far as issuing a permit for disposal with a limit on disposal volumes – the OCD is not setup to monitor water disposal volumes as it is to monitor and inspect disposal pressures. These sort of “conditional” permits are manpower intensive and we neither have the people or the budget to start doing that. Other conditional permits that have been issued in the past have often been abused and eventually ignored.

You might suggest to Mr. Tipton that he consider squeezing the producing San Andres perforations in this well and drilling out an open hole interval in the lower San Andres where there are no offsetting production wells. Of course, the one P&Aed well would still need to be repaired and he would need to run a log or swab test. There also may be other factors to negate that option and someone could protest, but I am sure he is considering everything.

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Injection Permit Checklist (11/15/2010)

(6822 LTD)

WFX _____ PMX _____ SWD _____ Permit Date _____ UIC Qtr _____

Wells 1 Well Name(s): SUNRAY "A" #3

API Num: 30-0 25-31061 Spud Date: 12/29/90 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FWL/1980 FEL Unit G Sec 36 Tsp 9S Rge 33E County LEA

General Location: _____

Operator: DWIGHT A. TIPTON Contact DWIGHT TIPTON/EDDIE SEAY

OGRID: 6550 RULE 5.9 Compliance (Wells) 265 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Current Status: SA Producer

Planned Work to Well: convert from prod to inj

Diagrams: Before Conversion After Conversion _____ Elogs in Imaging File:

Well Details:		Sizes	Setting	Stage	Cement	Determination
		Hole.....Pipe	Depths	Tool	Sx or Cf	Method
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/>	Surface	13 3/8 5 1/2	525'	—	300SK	CIRC
New <input type="checkbox"/> Existing <input type="checkbox"/>	Interm					
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/>	LongSt	7 7/8 5 1/2	4760'	—	975 SK	940 TS.
New <input type="checkbox"/> Existing <input type="checkbox"/>	Liner					
New <input type="checkbox"/> Existing <input type="checkbox"/>	OpenHole					

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	3910	San Andres	<input checked="" type="checkbox"/>
Injection TOP:	4500	Lower San Andres	Max. PSI <u>900</u> OpenHole _____ Perfs <input checked="" type="checkbox"/>
Injection BOTTOM:	4760	San Andres	Tubing Size <u>2 7/8</u> Packer Depth <u>4400'</u>
Formation(s) Below	5340	ELBERTA	<input checked="" type="checkbox"/>

(Lane, SA Prod area)

Capitan Reef? _____ (Potash? _____ Noticed? _____) [WIPP? _____ Noticed? _____] Salado Top/Bottom 2070 2130-2515 Giff House? _____

Fresh Water: Depths: _____ Formation Osborne Wells? yes Analysis? Affirmative Statement

Disposal Fluid Analysis? Sources: TIPTONS OWN OPERATION (offset SA)

Disposal Interval: Analysis? Production Potential/Testing: Producing in offsets

Notice: Newspaper Date 4/30/11 Surface Owner SLO. Mineral Owner(s) SLO.

RULE 26.7(A) Affected Persons: Legacy/GMX/CBE OP. w/2012 sec 31 S12/S2/S25 = ?

AOR: Maps? Well List? Producing in Interval? yes Wellbore Diagrams?

.....Active Wells 1 Repairs? 0 Which Wells? _____

.....P&A Wells 2 Repairs? 1 Which Wells? 30-025-22946 (EASY FIX)

Issues: _____ Request Sent _____ Reply: _____

DATE IN <u>5.17.11</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>5.17.11</u>	TYPE <u>SWD</u>	APP NO. <u>1113752776</u>
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PT6-w

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Dwight A. Tipton
Santay A 6822LTD #3

ADMINISTRATIVE APPLICATION CHECKLIST *30-025-31061*

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 _____

*Cancelled
 after review
 From Legacy*

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Eddie W Seay Eddie W Seay Agent 5/4/2011
 Print or Type Name Signature Title Date
seay04@leaco.net
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: Dwight A. Tipton

ADDRESS: Box 1025 Lovington, NM 88260

CONTACT PARTY: Dwight Tipton PHONE: 575-631-1142

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

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

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

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

VII. Attach data on the proposed operation, including:

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

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

IX. Describe the proposed stimulation program, if any.

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

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

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

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

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

NAME: Dwight Tipton TITLE: Owner

SIGNATURE: Dwight A. Tipton DATE: 5/4/11

E-MAIL ADDRESS: seay_04@leaco.net

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

ATTACHMENT TO APPLICATION C-108

Sunray A #3 (API 30-025-31061)
Unit G, Sect. 36, Tws. 9 S., Rng. 33 E.
Lea Co., NM

III. WELL DATA

- A.
- 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 2 7/8" plastic coated tubing.
 - 4) Baker Lock Set.
- B.
- 1) Injection formation is the San Andres
 - 2) Injection interval 4500' to 4760'.
 - 3) Well was drilled as a producer.
 - 4) The next higher producing zone is the Yates at approximately 2677'.
The next lower producing zone is the Glorieta at approximately 5340'.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

VII. Tipton proposes to re-complete the above listed well. Clean out well bore, use existing perforations and other selective perforations as needed. Acidize as needed, set 5 1/2" packer within 100 ft. of top perforations. Test casing as OCD requires, put on injection.

- 1) Plan to inject approximately 3000 bpd of produced water from Tiptons own operation in offset production.
- 2) Closed system.
- 3) Average injection pressure should be approximately 800# to 1200# or whatever limit OCD allows.
- 4) Analysis attached, only produced water.
- 5) Water from offset production from San Andres.

VIII. The proposed disposal formation is interbedded shale and limestone. The primary geologic formation is the San Andres from 3910' to 4760'.

The fresh water formation in the area is the Ogallala which ranges in thickness from 100' to 160'. Analysis of water well attached.

IX. ACID AS NEEDED.

X. PREVIOUSLY SUBMITTED TO OCD.

XI. ATTACHED.

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

XIII. ATTACHED.

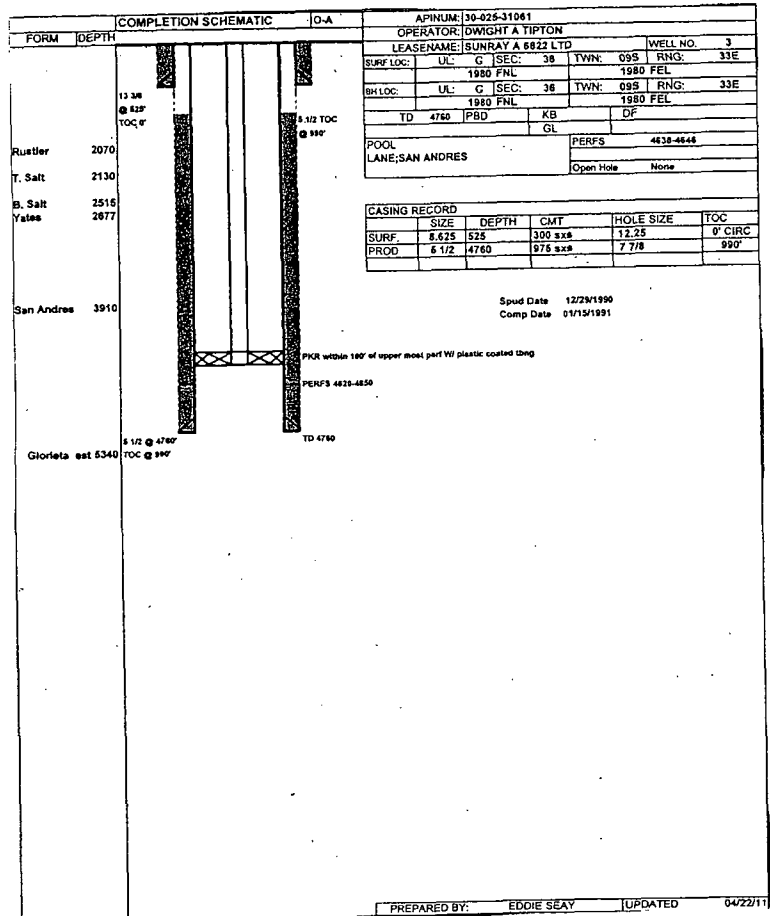
INJECTION WELL DATA SHEET

OPERATOR: Dwight A. Tipton

WELL NAME & NUMBER: Sunray A #3

WELL LOCATION: 1980/N 1980/E G 36 9 33
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 13 3/8 Casing Size: 5 1/2
 Cemented with: 300 SX. or _____ ft³
 Top of Cement: Surface Method Determined: Cure

Intermediate Casing

Hole Size: _____ Casing Size: _____
 Cemented with: _____ SX. or _____ ft³
 Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2
 Cemented with: 975 SX. or _____ ft³
 Top of Cement: 990 Method Determined: TS
 Total Depth: 4760

Injection Interval

4500 feet to 4760

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8 Lining Material: IPC
Type of Packer: Baker Loc Set
Packer Setting Depth: Approx 4400
Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

1. Is this a new well drilled for injection? Yes X No
If no, for what purpose was the well originally drilled? San Andres
producer
2. Name of the Injection Formation: San Andres
3. Name of Field or Pool (if applicable): Lane San Andres
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
only San Andres
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
The Yates overlays the SAN Andres and
the Glorieta underlays, the San Andres

<p>22 (L.L. & E. Expl., D/R) Tipton & Denton to 9800 E 7481 Tapp-St. State S. Kizer (S)</p>	<p>23 Rubicon 11-16-2009 Chesapeake 10-30-2009 Yates Pet. etal 6-1-2010 104689 17099 S. Kizer (S)</p>	<p>24 J.C. Ainsworth (Concho Exp.) Chesapeake 12-1-2011 V-7928 1,43739 S. Kizer (S)</p>	<p>25 Cabot Devore 59711 J.D. Dickinson M.I. Chesapeake 12-1-2008 Samedon Roy, M.I. J.T. Wilson, M.I. S. Kizer (S)</p>	<p>26 S. Kizer (S) 186Z Yates Pet. etal 5-12-2010 Robert W. Duncan, Est. etal 1/2 M.I. Belle Norton 1/2 M.I. Exalee Howard, etal</p>	<p>27 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>28 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>29 Amoco Pruitt 11-2-2008 Vada 679 "Pruitt" C.B. Read, M.I. C.L. Johnson</p>
<p>27 Southwest Roy. HBP HBP 6 W12516 14204 ID4658 Tr 29 Gonzales, Fed S. Kizer (S)</p>	<p>26 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>25 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>25 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>30 Yates Pet. etal 6-10-2007 Yates Pet. etal 4-15-2010, 9-8-2010 L.D. Tankersley, etal, M.I. J.C. Ainsworth (S) J.C. Maxwell, M.I.</p>	<p>31 Yates Pet. etal 6-1-2010 104698 13099 Yates Pet. etal 3-25-2009, 5-7-2010 V-6516 2500 State Locklin BHL St Com</p>	<p>32 Yates Pet. etal 1-1-2007 V-6516 2500 State Locklin BHL St Com</p>	<p>32 Yates Pet. etal 1-1-2007 V-6516 2500 State Locklin BHL St Com</p>
<p>34 Southwest Roy HBP Tr 36 B. J. Markham Est Tr etal S. Kizer (S)</p>	<p>35 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>36 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>36 Yates Pet. etal 12-1-2003 92191 104689 17099 Yates Pet. etal 12-1-2003 92191 2600 U.S.M.I. S. Kizer (S)</p>	<p>31 Yates Pet. etal 6-1-2010 104698 13099 Yates Pet. etal 3-25-2009, 5-7-2010 V-6516 2500 State Locklin BHL St Com</p>	<p>31 Yates Pet. etal 6-1-2010 104698 13099 Yates Pet. etal 3-25-2009, 5-7-2010 V-6516 2500 State Locklin BHL St Com</p>	<p>32 Yates Pet. etal 1-1-2007 V-6516 2500 State Locklin BHL St Com</p>	<p>32 Yates Pet. etal 1-1-2007 V-6516 2500 State Locklin BHL St Com</p>
<p>3 Read & Stevens to 10,000 HBP 06834 "Apache" Del. Apache Sinclair, St. 11-10-88 State</p>	<p>2 Rubicon OEG 6-1-2009 V-1069, 467 Yates Pet. etal 10-1-2005 V-5984 3132 State</p>	<p>2 Rubicon OEG 6-1-2009 V-1069, 467 Yates Pet. etal 10-1-2005 V-5984 3132 State</p>	<p>2 Rubicon OEG 6-1-2009 V-1069, 467 Yates Pet. etal 10-1-2005 V-5984 3132 State</p>	<p>6 Yates Pet. etal 5-20-2008 V-6844 1593 UnionTex State</p>	<p>6 Yates Pet. etal 5-20-2008 V-6844 1593 UnionTex State</p>	<p>6 Yates Pet. etal 5-20-2008 V-6844 1593 UnionTex State</p>	<p>6 Yates Pet. etal 5-20-2008 V-6844 1593 UnionTex State</p>
<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>12 Union State</p>	<p>12 Union State</p>	<p>12 Union State</p>	<p>12 Union State</p>
<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>12 Union State</p>	<p>12 Union State</p>	<p>12 Union State</p>	<p>12 Union State</p>
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<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>10 Yates Pet. etal 8-1-2009 V-7116 15623 C.B. Read Skelly, St. TD 9803 State</p>	<p>12 Union State</p>	<p>12 Union State</p>	<p>12 Union State</p>	<p>12 Union State</p>

Wells within 0.5 miles of proposed SWD well

operator	well name	#	tw	rng	sec	u/l	ftg ns	ftg ew	land	stat	td	county	
30-025-31061	DWIGHT A TIPTON	SUNRAY A 6822 LTD	3	09S	33E	36	G	N	E	S	O	4760	Lea

Wells within 1/2 mile that penetrate San Andres formation.

api	operator	well name	#	TWN	RNG	Sec	u/l	ftg ns	ftg ew	land	stat	type	td	county	dist (ft)		
30-025-00964	LEGACY RESERVES OPERATING, LP	SUNRAY 682 LTD	2	09S	33E	36	J	1980	S	1980	E	S	A ✓ O	10897	Lea	1339.3	<1/2 mile
30-025-00969	CHI OPERATING INC	COASTAL STATE	1	09S	33E	36	F	1980	N	1980	W	S	P * O	9865	Lea	1357.8	<1/2 mile
30-025-22946	GMX RESOURCES INC	SUNRAY 682 LTD	3	09S	33E	36	H	1980	N	660	E	S	P X O	9770	Lea	1326.3	<1/2 mile
30-025-37466	LEGACY RESERVES OPERATING, LP	TWITTY BHF STATE	1	09S	33E	36	J	1650	S	1980	E	S	TA ✓ G	12110	Lea	1669.4	<1/2 mile
30-025-30911	LEGACY RESERVES OPERATING, LP	SUNRAY 682 LTD	5	09S	33E	36	B	660	N	1980	E	S	A ✓ O	5172	Lea	1320.1	<1/2 mile
30-025-31000	DWIGHT A TIPTON	SUNRAY A 6822 LTD	1	09S	33E	36	O	990	S	1980	E	S	A ✓ O	4750	Lea	2329.4	<1/2 mile
30-025-31060	DWIGHT A TIPTON	SUNRAY A 6822 LTD	2	09S	33E	36	K	1980	S	1980	W	S	A ✓ O	4756	Lea	1926	<1/2 mile

Handwritten: Prod
SA

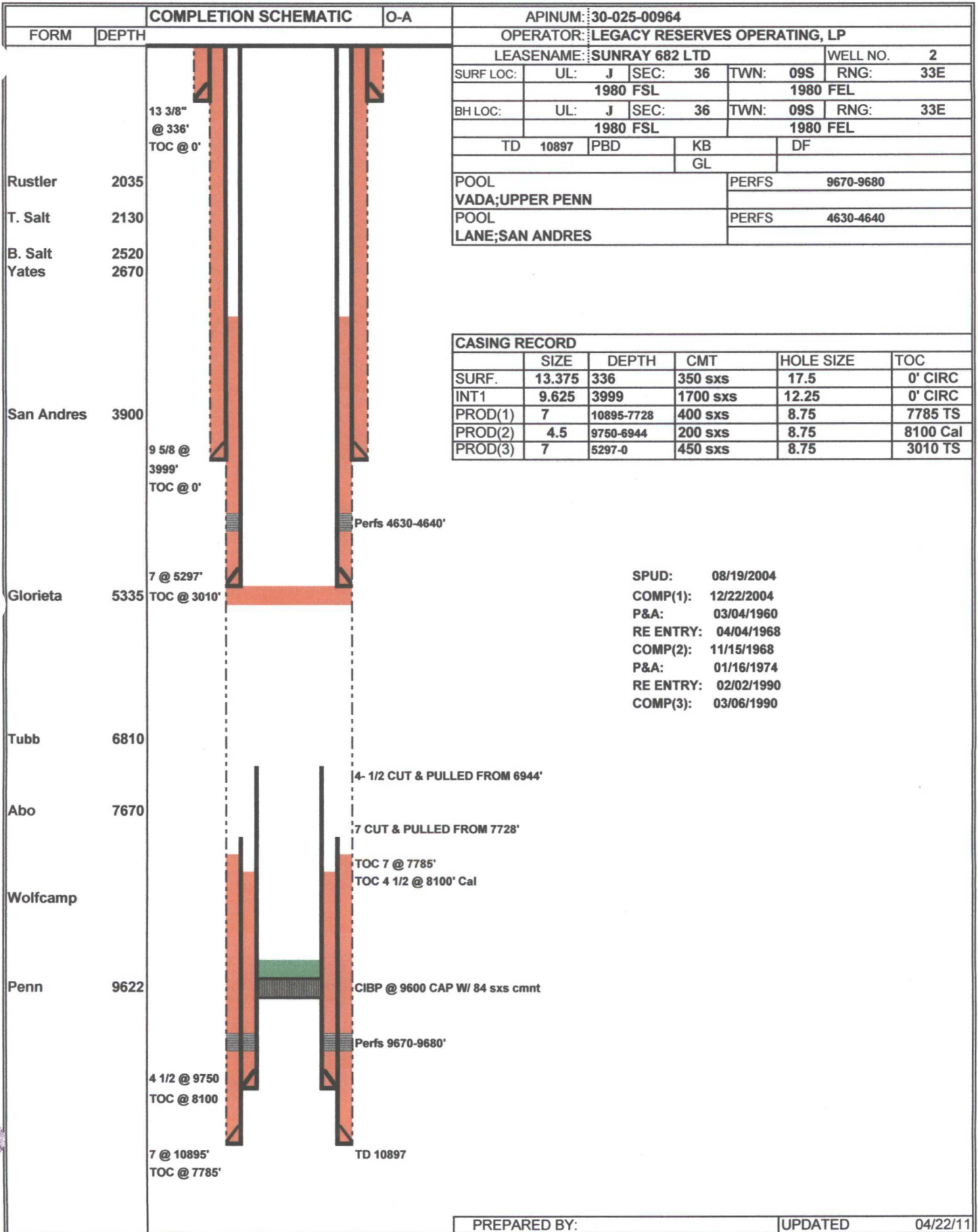
Distance wells in adjacent sections are from proposed SWD well.

api	tw	rng	sec	ul	ftg ns	ns	ftg ew	ew	latitude	longitude	Northing (m)	Easting (m)	Distance to SWD (m)	Distance to SWD (ft)	
30-025-31061	09S	33E	36	G	1980	N	1980	E	33.4918017939042	-103.517755639459	3706793.748	637697.8548	0.00	0	
30-025-00964	09S	33E	36	J	1980	S	1980	E	33.4881208466159	-103.517809269580	3706385.521	637698.6997	408.23	1339.33	<1/2 mile
30-025-00969	09S	33E	36	F	1980	N	1980	W	33.4917815780554	-103.522210141484	3706785.604	637284.0352	413.90	1357.94	<1/2 mile
30-025-00970	09S	33E	36	N	660	S	1980	W	33.4844710049069	-103.522330345801	3705974.824	637284.4053	917.38	3009.76	
30-025-22946	09S	33E	36	H	1980	N	660	E	33.4918214943985	-103.513405034173	3706801.715	638102.0227	404.25	1326.27	<1/2 mile
30-025-37466	09S	33E	36	J	1650	S	1980	E	33.4872138443377	-103.517822496061	3706284.932	637698.9067	508.82	1669.35	<1/2 mile
30-025-30237	09S	33E	36	M	330	S	330	W	33.4835373984318	-103.527783754257	3705864.102	636779.1746	1306.99	4288.02	
30-025-30911	09S	33E	36	B	660	N	1980	E	33.4954297776530	-103.517702788242	3707196.102	637697.0205	402.35	1320.06	<1/2 mile
30-025-31000	09S	33E	36	O	990	S	1980	E	33.4853998399244	-103.517848919852	3706083.754	637699.3231	710.00	2329.38	<1/2 mile
30-025-31017	09S	33E	36	E	1980	N	660	W	33.4917618273892	-103.526560912027	3706777.666	636879.8523	818.16	2684.25	
30-025-31060	09S	33E	36	K	1980	S	1980	W	33.4880990436059	-103.522270691287	3706377.192	637284.2222	587.04	1925.97	<1/2 mile
30-025-22815	09S	33E	25	P	660	S	660	E	33.4990774492917	-103.513299687598	3707606.422	638100.2862	906.86	2975.25	
30-025-23008	09S	33E	25	N	660	S	1980	W	33.4990376007337	-103.522090523401	3707590.335	637283.6927	897.82	2945.60	
30-025-23284	09S	33E	25	E	1980	N	660	W	33.5063123705448	-103.526325208782	3708391.391	636878.842	1795.34	5890.22	
30-025-23649	09S	33E	25	B	660	N	1980	E	33.5099870347089	-103.517491739776	3708810.545	637693.5684	2016.80	6616.80	
30-025-01811	09S	34E	31	M	828	S	708	W	33.4850049351248	-103.508995770329	3706051.748	638522.5272	1109.35	3639.59	
30-025-22426	09S	34E	31	O	660	S	1980	E	33.4846069522929	-103.500859803833	3706018.508	639279.1085	1761.07	5777.78	
30-025-22461	09S	34E	31	H	1980	N	660	E	33.4949492732776	-103.496463068862	3707171.214	639671.0192	2008.94	6591.03	
30-025-22649	09S	34E	31	B	660	N	1980	E	33.4955215057517	-103.500789926016	3707228.849	639268.1232	1629.43	5345.91	
30-025-22715	09S	34E	31	F	1980	N	1980	W	33.4918704107106	-103.504703623016	3706818.755	638910.3623	1212.77	3978.89	
30-025-30919	09S	34E	31	O	660	S	1930	E	33.4846082458437	-103.500695024612	3706018.872	639294.4168	1774.67	5822.40	
30-025-22307	09S	34E	30	P	660	S	660	E	33.4991750710682	-103.496418195420	3707639.848	639668.4001	2144.51	7035.80	
30-025-22360	09S	34E	30	N	660	S	1980	W	33.4991265912239	-103.504596834091	3707623.491	638908.692	1467.86	4815.80	
30-025-22525	09S	34E	30	H	1980	N	510	E	33.5064616306987	-103.495882448303	3708448.533	639706.46	2602.46	8538.26	
30-025-22689	09S	34E	30	D	660	N	660	W	33.5100321148293	-103.508788999655	3708827.132	638501.8682	2186.57	7173.79	
30-025-22988	09S	34E	30	F	1980	N	1965	W	33.5064245579831	-103.504539986136	3708432.794	638902.3118	2034.01	6673.25	

PROPOSED WELLBORE SCHEMATIC

COMPLETION SCHEMATIC		O-A	APINUM: 30-025-31061					
FORM	DEPTH		OPERATOR: DWIGHT A TIPTON					
			LEASENAME: SUNRAY A 6822 LTD		WELL NO. 3			
			SURF LOC:	UL: G	SEC: 36	TWN: 09S	RNG: 33E	
					1980 FNL		1980 FEL	
			BH LOC:	UL: G	SEC: 36	TWN: 09S	RNG: 33E	
					1980 FNL		1980 FEL	
			TD	4760	PBD	KB	DF	
			GL					
POOL LANE; SAN ANDRES				PERFS	4638-4646			
				Open Hole	None			
CASING RECORD								
	SIZE	DEPTH	CMT	HOLE SIZE	TOC			
SURF.	8.625	525	300 sxs	12.25	0' CIRC			
PROD	5 1/2	4760	975 sxs	7 7/8	990'			
Spud Date 12/29/1990 Comp Date 01/15/1991								
PKR within 100' of upper most perf W/ plastic coated tbng PERFS 4620-4650 TD 4760								
5 1/2 @ 4760' TOC @ 990'								
Glorieta est 5340								
			PERFS	4620-4650				
4500 Top 4760 Bot								

WELLBORE SCHEMATIC AND HISTORY

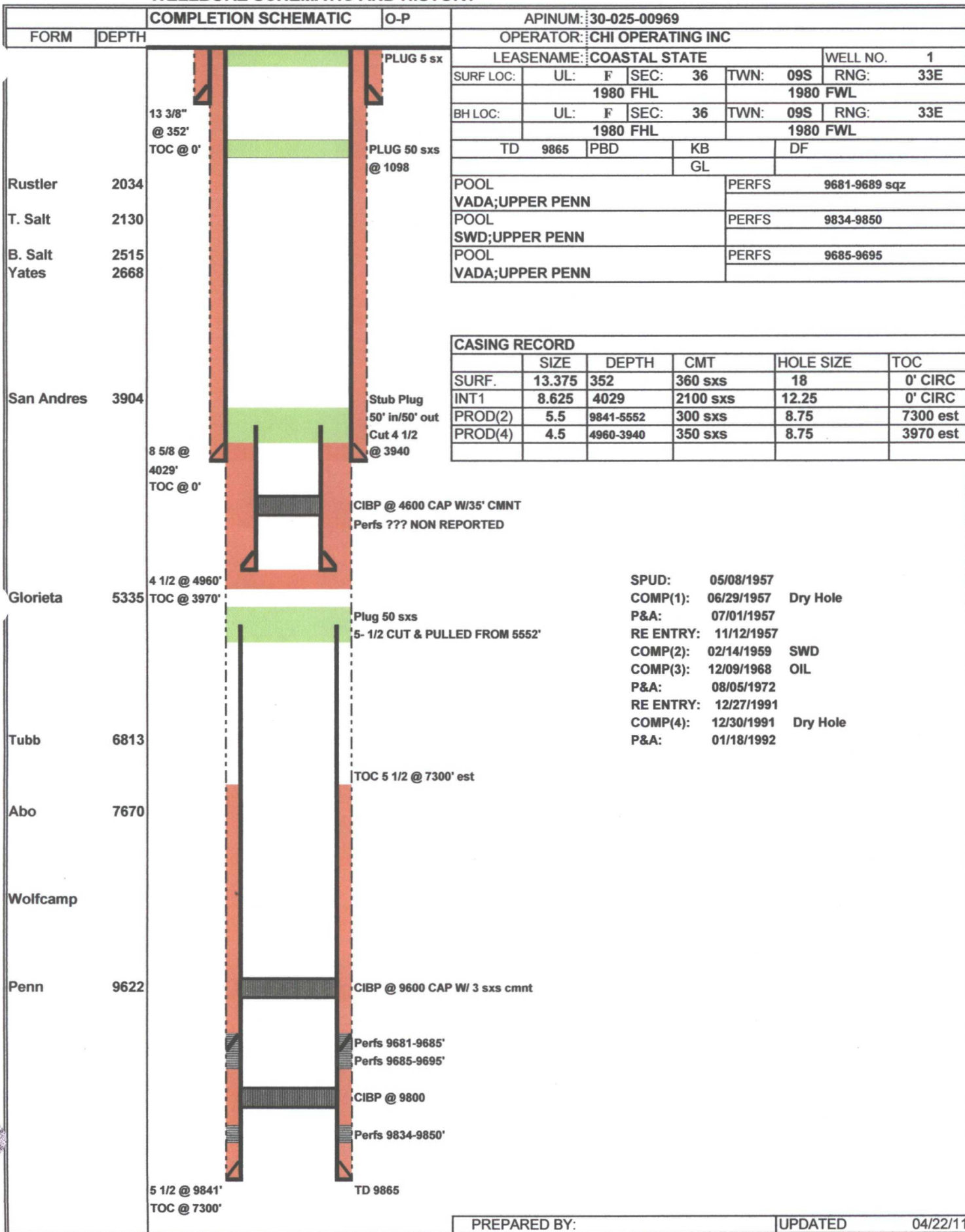


PREPARED BY:

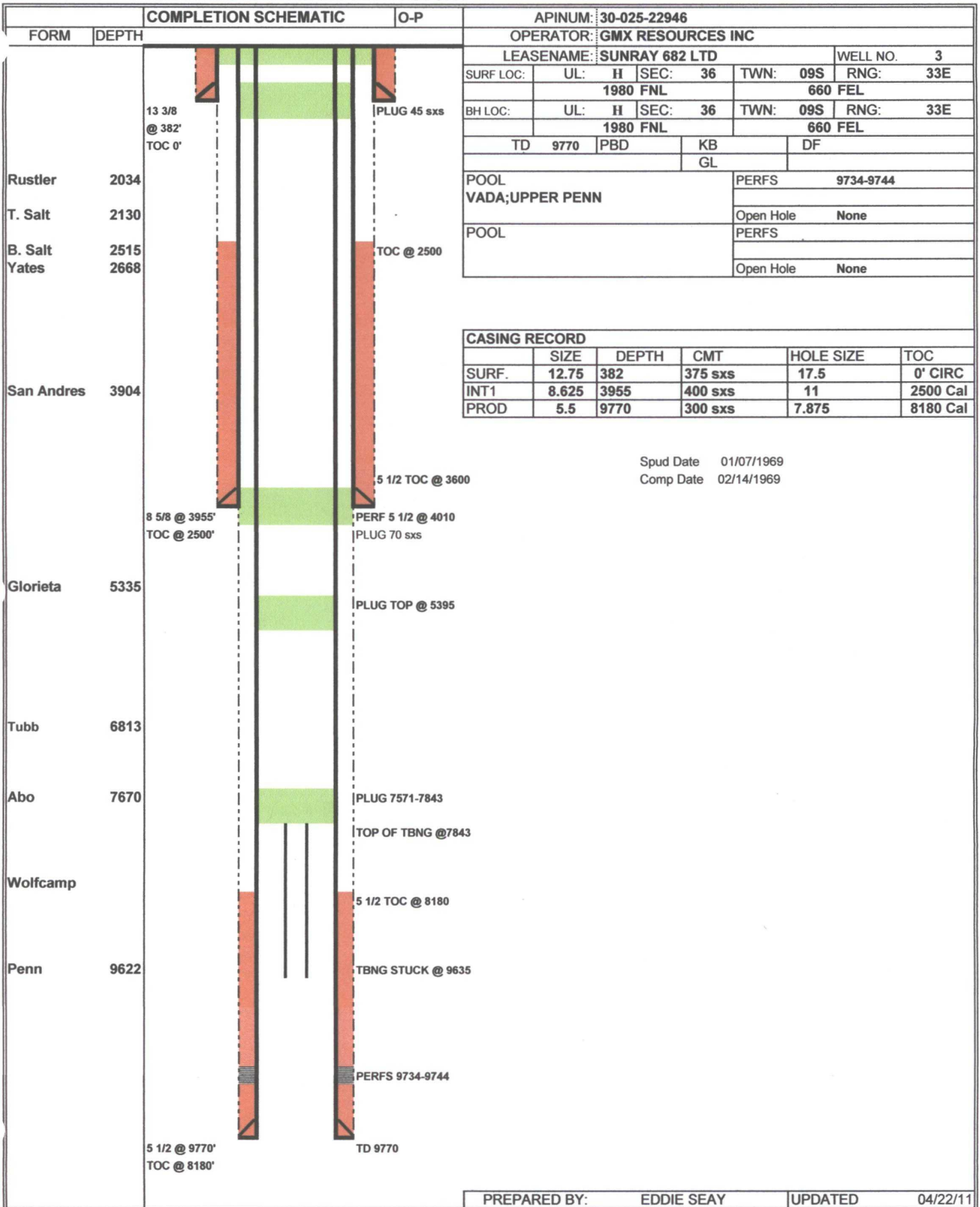
UPDATED

04/22/11

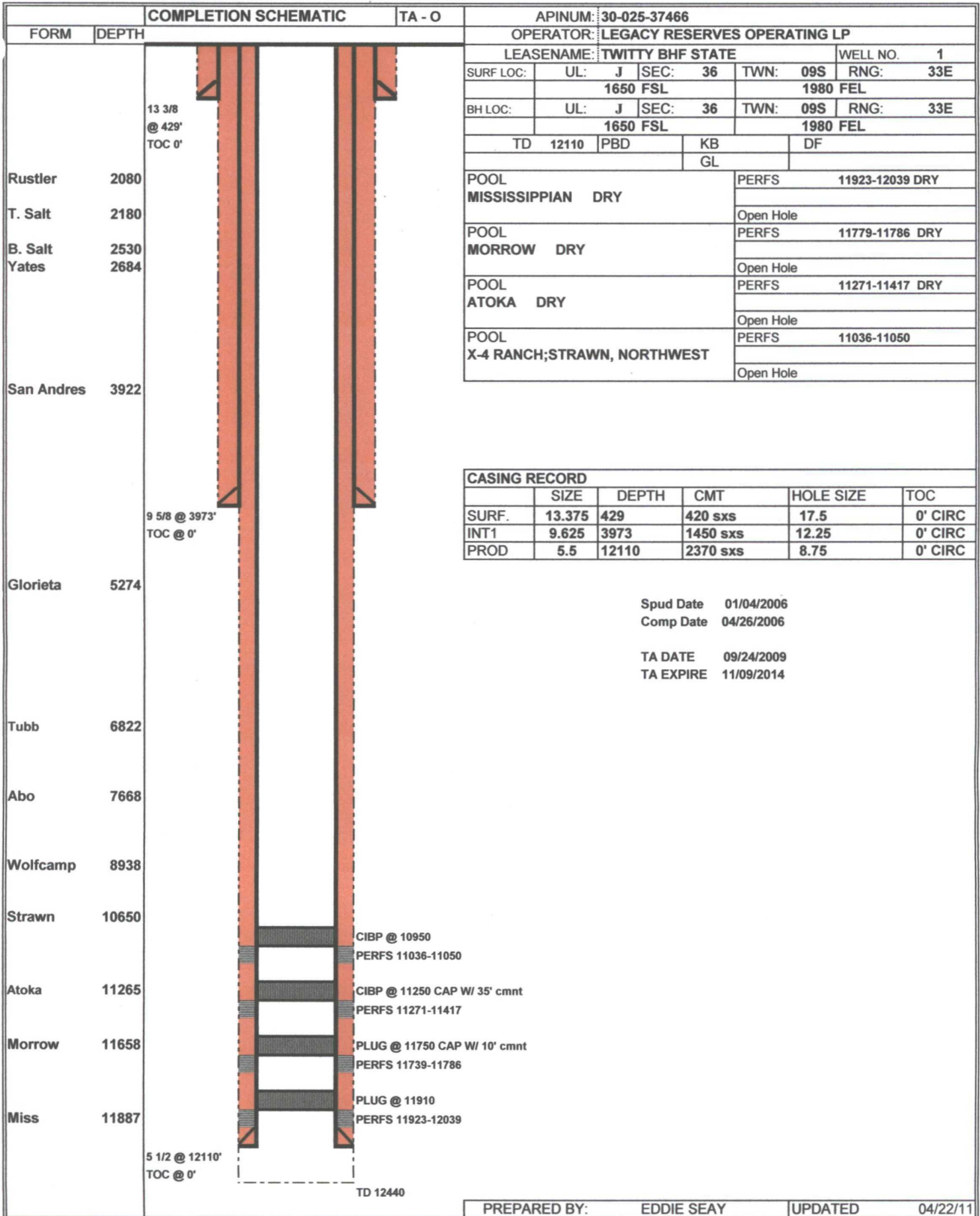
WELLBORE SCHEMATIC AND HISTORY



WELLBORE SCHEMATIC AND HISTORY



WELLBORE SCHEMATIC AND HISTORY



COMPLETION SCHEMATIC TA - O

APINUM: 30-025-37466	
OPERATOR: LEGACY RESERVES OPERATING LP	
LEASENAME: TWITTY BHF STATE	WELL NO. 1
SURF LOC: UL: J SEC: 36 TWN: 09S RNG: 33E	1650 FSL 1980 FEL
BH LOC: UL: J SEC: 36 TWN: 09S RNG: 33E	1650 FSL 1980 FEL
TD 12110 PBD	KB DF
	GL
POOL MISSISSIPPIAN DRY	PERFS 11923-12039 DRY
	Open Hole
POOL MORROW DRY	PERFS 11779-11786 DRY
	Open Hole
POOL ATOKA DRY	PERFS 11271-11417 DRY
	Open Hole
POOL X-4 RANCH;STRAWN, NORTHWEST	PERFS 11036-11050
	Open Hole

	SIZE	DEPTH	CMT	HOLE SIZE	TOC
SURF.	13.375	429	420 sxs	17.5	0' CIRC
INT1	9.625	3973	1450 sxs	12.25	0' CIRC
PROD	5.5	12110	2370 sxs	8.75	0' CIRC

Spud Date 01/04/2006
 Comp Date 04/26/2006
 TA DATE 09/24/2009
 TA EXPIRE 11/09/2014

Analytical Results For:

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

 Received: 04/27/2011
 Reported: 04/29/2011
 Project Name: TIPTON SUNRAY #3
 Project Number: TIPTON SWD
 Project Location: SECT 36 T. 9 R. 33 LEA COUNTY, NM

 Sampling Date: 04/26/2011
 Sampling Type: Water
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: TIPTON #1 (H100871-01)

Bicarbonate 310.1M		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Alkalinity, Bicarbonate	327	5.00	04/27/2011	ND	964	96.4	1000	28.6		
Calcium SM3500Ca-D		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Calcium	152	1.60	04/27/2011	ND	52.1	104	50.0	0.00		
Carbonate 310.1M		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Alkalinity, Carbonate	<0.00	0.00	04/27/2011	ND	ND		0.00			
Chloride, SM4500Cl-B		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	220	4.00	04/27/2011	ND	112	112	100	3.64		
Conductivity 120.1		uS/cm		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Conductivity	1320	1.00	04/28/2011	ND	1420	101	1410	0.00		
Magnesium SM3500MgE		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Magnesium	21.9	1.00	04/27/2011	ND	51.0	102	50.0	1.16		
pH		pH Units		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
pH	7.59	0.100	04/28/2011		7.03	100	7.00	0.396		
Potassium 8049		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

April 29, 2011

Eddie Seay

Eddie Seay Consulting

601 W. Illinois

Hobbs, NM 88242

RE: TIPTON SUNRAY #3

Enclosed are the results of analyses for samples received by the laboratory on 04/27/11 8:55.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.


Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

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

 Received: 04/27/2011
 Reported: 04/29/2011
 Project Name: TIPTON SUNRAY #3
 Project Number: TIPTON SWD
 Project Location: SECT 36 T. 9 R. 33 LEA COUNTY, NM

 Sampling Date: 04/26/2011
 Sampling Type: Water
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

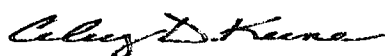
Sample ID: TIPTON #1 (H100871-01)

Bicarbonate 310.1M		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Alkalinity, Bicarbonate	327	5.00	04/27/2011	ND	964	96.4	1000	28.6		
Calcium SM3500Ca-D		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Calcium	152	1.60	04/27/2011	ND	52.1	104	50.0	0.00		
Carbonate 310.1M		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Alkalinity, Carbonate	<0.00	0.00	04/27/2011	ND	ND		0.00			
Chloride, SM4500Cl-B		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	220	4.00	04/27/2011	ND	112	112	100	3.64		
Conductivity 120.1		uS/cm		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Conductivity	1320	1.00	04/28/2011	ND	1420	101	1410	0.00		
Magnesium SM3500MgE		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Magnesium	21.9	1.00	04/27/2011	ND	51.0	102	50.0	1.16		
pH		pH Units		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
pH	7.59	0.100	04/28/2011		7.03	100	7.00	0.396		
Potassium 8049		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

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

 Received: 04/27/2011
 Reported: 04/29/2011
 Project Name: TIPTON SUNRAY #3
 Project Number: TIPTON SWD
 Project Location: SECT 36 T. 9 R. 33 LEA COUNTY, NM

 Sampling Date: 04/26/2011
 Sampling Type: Water
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

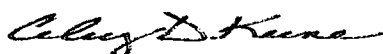
Sample ID: TIPTON #1 (H100871-01)

Potassium 8049		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Potassium	3.31	1.00	04/27/2011	ND	7.73	96.6	8.00	2.60		
Sodium Calculated		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Sodium	85.0	1.00	04/27/2011	ND						
Sulfate 375.4		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Sulfate	78.0	10.0	04/28/2011	ND	41.5	104	40.0	4.53		
TDS 160.1		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TDS	707	5.00	04/27/2011	ND				1.28		
Total Alkalinity 310.1M		mg/L		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Alkalinity, Total	268	4.00	04/27/2011	ND	790	96.3	820	28.6		

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

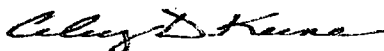
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: Eddie Seay Consulting		BILL TO		ANALYSIS REQUEST											
Project Manager: Eddie Seay		P.O. #:		Gen Chemistry											
Address: 101 W Illinois		Company:													
City: Hobbs State: NM Zip: 88242		Attn:													
Phone #: 2-2236 Fax #: 2-6949		Address:													
Project #: Tipton SWD Project Owner: D. Tipton		City:													
Project Name: Tipton Survey # 3		State: Zip:													
Project Location: Seat 36 T.9 R. 33 Lea		Phone #:													
Sampler Name: Eddie Seay		Fax #:													

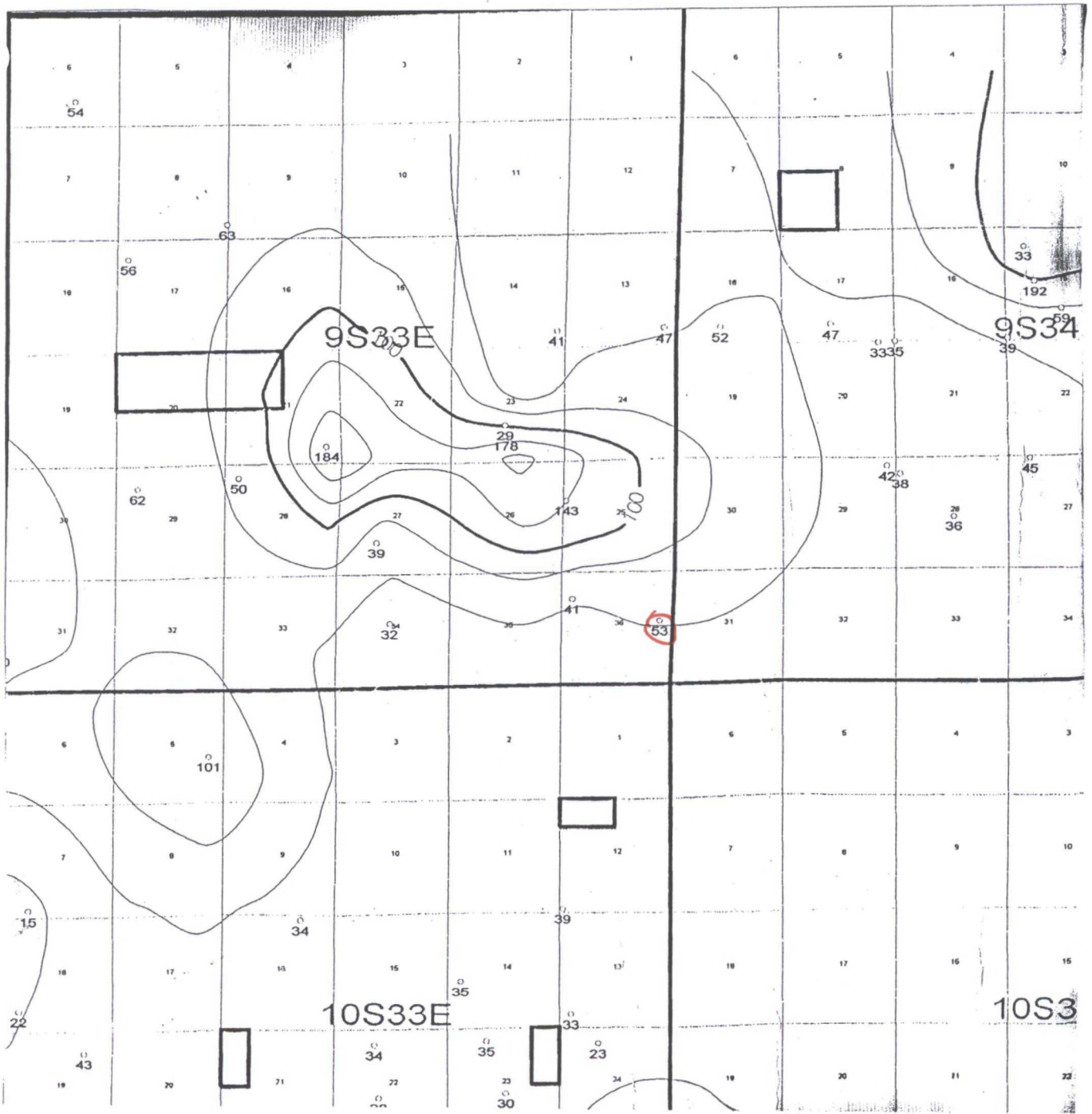
FOR LAB USE ONLY		# CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE	TIME
Lab I.D.	Sample I.D.		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:			
HIDDB71-1	Tipton # 1	1	1						1			4/26	3:30	

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Relinquished By: Eddie Seay	Date: 4/27	Received By: Jodi Benson	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time: 8:55		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS: ASAP	
	Time:			
Delivered By: (Circle One)	Sample Condition	CHECKED BY: JS		
Sampler - UPS - Bus - Other: 40c	Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No	(Initials)		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26



Groundwater Map

Produced Waters

<u>POOL</u>	<u>CHLORIDES</u>
Dean Permo Pennsylvanian	44,730
Dean Devonian	19,525
Denton Wolfcamp	37,275
Denton Devonian	37,062
South Denton Wolfcamp	54,315
South Denton Devonian	34,080
Medicine Rock Devonian	39,760
Little Lucky Lake Devonian	23,288
Wantz Abo	132,770
Crosby Devonian	58,220
Scarborough Yates Seven Rivers	3,443 (Reef)
Teague Simpson	114,665
Teague Ellenburger	120,345
Rhodes Yates Seven Rivers	144,485
House San Andres	93,365
House Drinkard	49,700
South Leonard Queen	115,375
Elliott Abo	55,380
Scharb Bone Springs	30,601
EK Queen	41,890
East EK Queen	179,630
Maljamar Grayburg San Andres	46,079
Maljamar Paddock	115,375
Maljamar Devonian	25,418
Salt Lake Yates	6,781 (Reef)
Teas Yates Seven Rivers	22,152 (Reef?)

OFFSET OPERATORS

Legacy Reserves Operating, LP
Box 10848
Midland, TX 79702

GMX Resources, Inc.
9400 N. Broadway, Ste. 600
Oklahoma City, OK 73114

CHI Operating Inc.
Box 1799
Midland, TX 79702

SURFACE OWNER

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

MINERAL OWNER

State of New Mexico
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

DWIGHT A. TIPTON

April 28, 2011

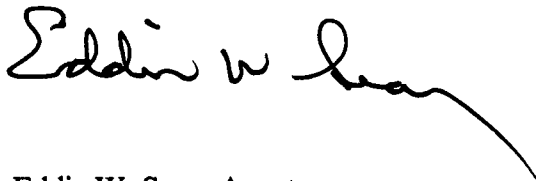
RE: Sunray A #3
Unit G, Sect. 36, Tws. 9 S., Rng. 33 E.
API 30-025-31061

Dear Sir:

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

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

Thank you,



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

7010 0780 0001 1720 1173

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 Oklahoma City, OK 73114

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Total Postage & Fees	\$

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 JAL POST OFFICE 88252

Sent to
NM State Land Office
 310 Old Santa Fe Trail
 BOX 1148
 Santa Fe, NM 87504-1148

PS Form 3800, August 2006 See Reverse for Instructions

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Dwight A. Tipton, Box 1025, Lovington, NM 88260, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Sunray A #3, API 30-025-31061, located in Unit G, Section 36, Township 9 South, Range 33 East, Lea Co., NM. The injection formation is the San Andres from 4500' to 4760' below surface. Expected maximum injection rate is 3000 bpd., and the expected maximum injection pressure is 800 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

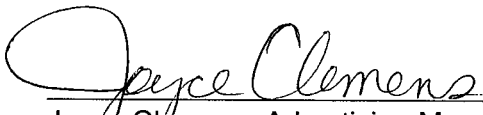
Affidavit of Publication


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

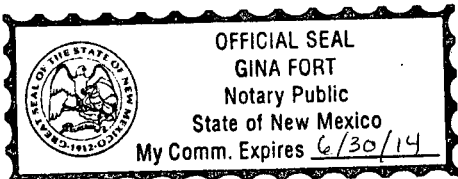
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county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

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one day beginning with the issue of April 30, 2011 and ending with the issue of April 30, 2011.

And that the cost of publishing said notice is the sum of \$ 24.91 which sum has been (Paid) as Court Costs.


Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 11th day of May, 2011.


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



LEGAL NOTICE
Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Dwight A. Tipton, Box 1025, Lovington, NM 88260, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the Sunray A #3, API 30-025-31061, located in Unit G, Section 36, Township 9 South, Range 33 East, Lea Co., NM. The injection formation is the San Andres from 4500' to 4760' below surface. Expected maximum injection rate is 3000 bpd, and the expected maximum injection pressure is 800 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

Published in the Lovington Leader April 30, 2011.

May 6, 2011

RECEIVED OCD

2011 MAY 17 A 11: 53

NMOCD Engineering
ATTN: Will Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

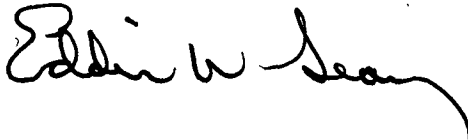
RE: Dwight A. Tipton
Sunray A #3
C-108 Application

Mr. Jones:

Currently, Mr. Tipton, has his production in this are shut-in because there is no economic way to get rid of produced water. We hope by converting the above listed well to SWD, Tipton will not have to plug his existing wells.

We appreciate your time and consideration in this permit.

Sincerely,



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

RECEIVED OCD

2011 MAY 18 A 11:48



Certified Return Receipt #7008 1300 0002 4480 6302
Oil Conservation Division of New Mexico
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Attn: Will Jones

May 13, 2011

**SUBJECT: Protest of Dwight A. Tipton Application for Authorization to Inject
Sunray A #3 (API # 30-025-31061)
Lea County, New Mexico**

Legacy Reserves Operating, LP hereby serves notice of its protest of the application for Authorization to Inject submitted by Dwight A. Tipton on the Sunray A #3 (API # 30-025-31061), located in Lea County, New Mexico.

Legacy Reserves Operating, L. P. has two wells directly offsetting the proposed disposal well producing from the same perforations and interval submitted by Dwight A. Tipton. Allowing disposal into this zone will water out Legacy Reserves Operating, L. P. producers resulting in the loss of 9-12 BOPD.

Sincerely,

A handwritten signature in black ink that reads "Paul T. Horne". The signature is written in a cursive, slightly slanted style.

Paul T. Horne
EVP - Operations
432-689-5237

Legacy Reserves

303 West Wall, Suite 1400 • Midland, Texas 79701 • P.O. Box 10848 • Midland, Texas 79702
OFFICE 432-689-5200 • FAX 432-684-3774

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, June 28, 2011 6:55 PM
To: Rena Seay
Cc: Ezeanyim, Richard, EMNRD; Gonzales, Elidio L, EMNRD; Albers, Jeff J.
Subject: Disposal application from Dwight A. Tipton: Sunray A 6822LTD #3 30-025-31061

Hello Eddie:

I have not reviewed this application.

As your client, Mr. Tipton likely knows, Legacy Reserves Operating has protested this application for disposal. Please contact Legacy for details on its concerns.

If Legacy withdraws its protest, this application can again be considered administratively.

Let me know if you are making progress negotiating with Legacy or if Mr. Tipton will pursue this to an examiner hearing.

In lieu of a resolution, it has been cancelled.

Regards,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



July 5, 2011

RECEIVED OCD

2011 JUL 6 AM 11:49

2011 JUL 6 AM 11:49

NMOCD Engineering
ATTN: William V. Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

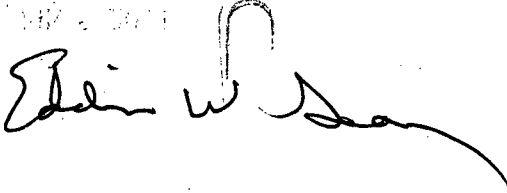
RE: Dwight A. Tipton
Sunray A #3 API 30-025-31061
C-108 Amendment

Mr. Jones:

I have been in contact with Legacy Reserves concerning their protest to the above C-108 application. Mr. Darden with Legacy said if Tipton would revise the application to be limited to 400 bpd, they would withdraw their protest.

Please limit our injection to 400 bpd, when and if Tipton application is approved.

Thanks,



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

Rena Seay

From: "Pat Darden" <pdarden@legacylp.com>
To: <seay04@leaco.net>
Cc: "Pat Darden" <pdarden@legacylp.com>
Sent: Friday, July 01, 2011 11:22 AM
Subject: Dwight Tipton's Application on the Sunray A #3 (API#: 30-025-31061).

Good afternoon Eddie. Sorry its taken me this long to get back with you on the Sunray A #3 application.

After looking through my notes and file, I believe Legacy could live with 400 BWPDl in the subject well.

Please call me if you have any further questions.

Thanks,

D. Patrick Darden, P. E.
Sr. Engineer
Legacy Reserves, LP
432-689-5237 office
432-296-0070 cell