

PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

August 5, 2009

Mark E. Fesmire, P.E. Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Judah Oil, Inc. Application for Injection Permit API 30-015-2388

Dear Mr. Fesmire:

Please be advised that the State of New Mexico owns the surface and mineral estates in the S½, Section 30, Twp. 24 South, Range 29 East. The land is State trust land managed by the New Mexico State Land Office. It is our understanding that the above-referenced well is located in the SE½/SW½ of Section 30, and that Judah Oil, Inc. has applied for a permit to inject produced water using that well. Please be advised further that the Commissioner of Public Lands and the State Land Office do not oppose Judah Oil, Inc.'s application for a permit to inject produced water into the well.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Dennis Garcia

Deputy Commissioner

cc: James B. Campanella, Judah Oil, Inc.

Billy (Bill) E. Prichard, Pueblo West Oilfield Consulting

Scott Branson (Lease No. GS-1438)

Nick Jaramillo, SLO Surface Resources Division

Mary Dubose, SLO Agricultural Leasing Division

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 14364 Exhibit No. 3

Submitted by:

JUDAH OIL, L.L.C.

Hearing Date: April 24, 2009

-State Land Office Beneficiaries -

Nearburg Producing Company

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, TX 79705-5421 432-686-6235 FAX 432-686-7806

July 13, 2009

Judah Oil, L.L.C. Attn: Mr. Blaise Campanella P. O. Box 568 Artesia, New Mexico 88210

Re: Amethyst Prospect

Eddy County, New Mexico

Notice of Application for Authorization to Inject

MWJ State #001Y

860' FSL & 2,020' FWL Section 30,

T-24-S, R-29-E, N.M.P.M.

Gentlemen:

Please be advised that Nearburg Producing Company has reviewed Judah Oil, L.L.C.'s revised C-108 Application for the captioned well, providing for perforations to be limited to those depths from 3,630' to 4,975', and hereby advises that it does not object to such Revised Application.

Should you have any questions, please contact our office.

Yours very truly,

NEARBURG PRODUCING COMPANY

Terry Gant Midland Manager

TGH

cc: New Mexico Oil Conservation Division Attn: Mr. William V. Jones

1220 South St. Francis Drive Santa Fe, New Mexico 87505

Montgomery & Andrews, P.A. Attn: Mr. J. Scott Hall P. O. Box 2307

Santa Fe, New Mexico 87504-2307

Hearing Date: April 24, 2009