

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 _____

RECEIVED OOD
 2013 NOV 22 PM 1:25

[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

Ray Westall
State 25 Well No. 1
30-015-32422
WC-ST

[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 Ray Westall	11/20/13
Print or Type Name	Signature	Title	Date
		ben@sosconsulting.us	
		e-mail Address	



November 20, 2013

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

Attn: Ms. Jami Bailey, Director

Re: Application of Ray Westall Operating, Inc. to permit for salt water disposal in its State '25' No.1 well located in Section 25, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

Dear Ms. Bailey,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to reenter and configure for disposal, the State '25' No.1.

Ray Westall Operating seeks to optimize efficiency, both economically and operationally, of its operations. 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 November 17, 2013 edition of the Artesia Daily Press and all offset operators and other interested parties have been notified individually. The legal notice affidavit will be forwarded upon receipt. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on state lands and a copy of this application has been submitted to the State Land Office, Division of Oil, Gas and Minerals.

I respectfully request that the approval of this salt water disposal well 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 Ray Westall Operating, Inc.

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: *Salt Water Disposal* and the application *qualifies* for administrative approval.
- II. OPERATOR: *Ray Westall Operating, Inc.*
ADDRESS: *P.O. Box 4, Loco Hills, NM 88255*

CONTACT PARTY: *Donnie Mathews (575) 677-2372*
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 not an expansion of an existing project.*
- 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. *A tabulation is attached of data on all wells of public record within the area of review which penetrate the proposed injection zone (1 AOR well [originally] penetrated subject interval, see notes - No P&A.) 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.*
- VII. *The following data is attached 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. *Appropriate geologic data on the injection zone is attached 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. *No stimulation program is proposed at this time.*
- *X. *There is no applicable test data on the well however, any previous well logs (2 well logs available via OCD Online) have been filed with the Division and they need not be resubmitted.*
- *XI. *State Engineer's records indicated one domestic water wells within one mile the proposed salt water disposal well. An analysis of the water will be forwarded as soon as possible.*
- XII. *An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found 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. There are 9 offset lessees and/or operators within ½ mile - all have been noticed.*
- 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 Ray Westall Operating, Inc.*

SIGNATURE:  DATE: 11/18/2013

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 and data is included:*

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 *pursuant to the following criteria is attached.*

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.

CURRENT CONFIGURATION

**PLUGGED WELL SCHEMATIC
State 25 Well No.1**

API 30-015-32422

2310' FNL & 1980' FWL, SEC. 25-T18S-R27E
EDDY COUNTY, NEW MEXICO

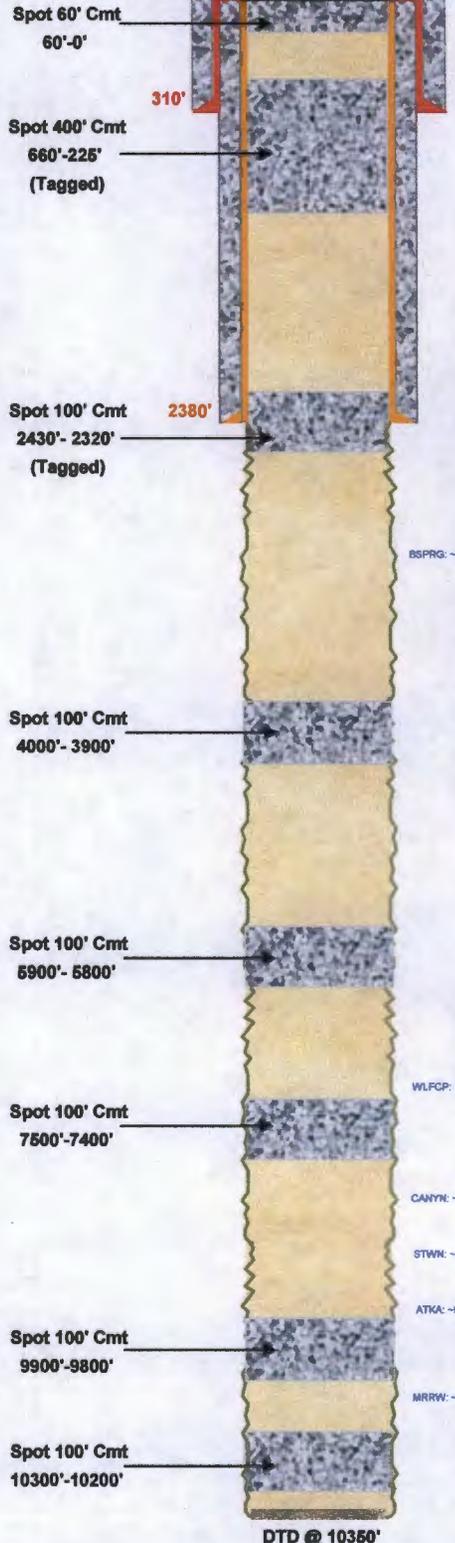
Spud Date: 9/24/2002

P&A Date: 11/02/2002

**Well plugged by:
PAR Minerals Corp.**

<PLUGGING ITEMS LISTED LEFT>

PLUGS:



<PRE-P&A EXISTING ITEMS LISTED RIGHT>

Surface Casing

13.375", 48.0# Csg. (17.5" Hole) @ 310'
335 sx Cls 'C' - 100 sx - Circulated to Surface

Intermediate Casing

9.625", 26.0# csg. (12.25" Hole) @ 2380'
803 sx 35/65 Poz + 'C' - 68 sx Circulated to Surface

<P&A SUBSEQUENT SUNDRY>

Submit 3 Copies To Appropriate Director
City: _____ State of New Mexico
1225 N. Fourth St., Hobbs, NM 88240
131 W. Central Ave., Santa Fe, NM 87501
1900 Rio Grande Blvd., Santa Fe, NM 87510
1220 S. Florida Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Franklin Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1989

WELL API NO. 30-015-32422
5. Indicate Type of Lease: STATE FEDERAL
6. State Oil & Gas Lease No. NH 648
7. Lease Name or Unit Agreement Name: STATE 25
8. Well No. 1
9. Pool name or Widened: WILDCAT

1. Type of Well: Oil Well Gas Well Other
2. Name of Operator: PAR MINERALS CORPORATION
3. Address of Operator: 509 MARKET ST STE 300, SHREVEPORT, LOUISIANA 71101
4. Well Location: Section 25 Township 18S Range 27E NMPM County EDDY
Urb. Letter: F 2310 feet from the NORTH line and 1980 feet from the WEST line
M. Elevation (Show whether DR, AKA, RT, GR, etc.): 3559 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPER. PLUG AND ABANDONMENT
PULL OR ALTER CASING MULTIPLE COMPLETION CASING TEST AND CEMENT JOB
OTHER: OTHER:

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1165. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletions.

Plug and Abandon: Set and cut. plugs @ 10,300, 100' plug
9,800, 100' plug
7,500, 100' plug
5,900, 100' plug
4,000, 100' plug
2,430, 100' plug tag @ 2320'
660, 400' plug tag @ 235'
Surface plug @ - 60'

No11 P&A on Nov. 02, 2002

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

SIGNATURE: Roger Hooper TITLE: REGULATORY DATE: 11/19/02
Type or print name: ROGER HOOPER Telephone No. 310-221-6116
(This space for State use)

APPROVED BY: _____ TITLE: _____ DATE: _____
Conditions of approval, if any:

WLFCP-7330

CANYN-6257

STWN-8857

ATKA-9457

MRRW-9657

30-015-33372
E

Production Casing - NEVER SET

WC: 8034 - Drilled as Morrow gas well - non-economic
TR: 8534
AK: 9784
Morrow: 10200

30-015-

WC: 7425
Can: 8610
St: 9056

W
30-015-27034

WC: 7178
TP: 7780
Can: 8024
St: 8779
At: 9380

DTD @ 10350'



Drawn by: Ben Stone, 11/18/2013



WELL SCHEMATIC - PROPOSED
State 25 Well No.1 SWD

API 30-015-32422

2310' FNL & 1980' FWL, SEC. 25-T18S-R27E
 EDDY COUNTY, NEW MEXICO

Spud Date: 9/24/2002

Re-Entry Date: ~1/15/2014

Annulus Monitored
 or open to atmosphere

Injection Pressure Regulated
 and Volumes Reported

RAY WESTALL OPERATING, INC.

Convert to SWD: D/O & C/O Existing Plugs to 9324'.
 (Spot cement if necessary for BH integrity.)
 Run & Set New 5-1/2" - Set @ 7334'
 Cement 2 stages w/ ~1000 sx - Circulate to Surface.
 Run PC Tubing and PKR - Conduct MIT.
 Commence Disposal Operations.

Surface Casing

13.375", 48.0# Csg. (17.5" Hole) @ 310'
 335 sx Cls 'C' - 100 sx - Circulated to Surface

Intermediate Casing

9.625", 26.0# csg. (12.25" Hole) @ 2380'
 803 sx 35/65 Poz + 'C' - 68 sx Circulated to Surface

Annulus Loaded
 w/ Inert Packer Fluid

2.375" IC Tubing
 PKR ~7350'

NEW Production Casing

5.5", 17.0# Csg - Surface to 7334'
 Est. ~1000 sx w/ excess - Circulate to Surface

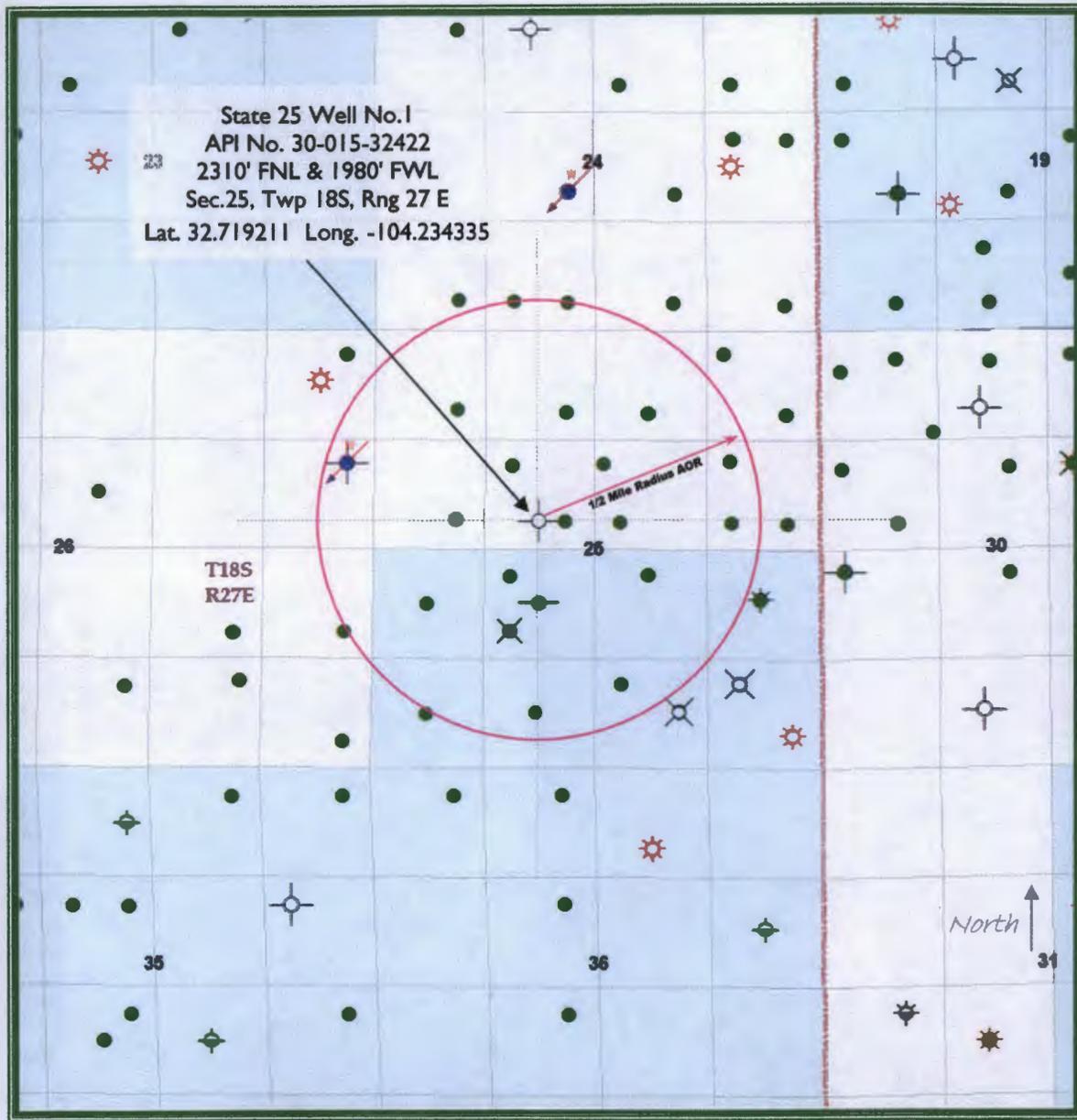
Spot Cmt @ ~9234'

PBTD @ 9324' ✓

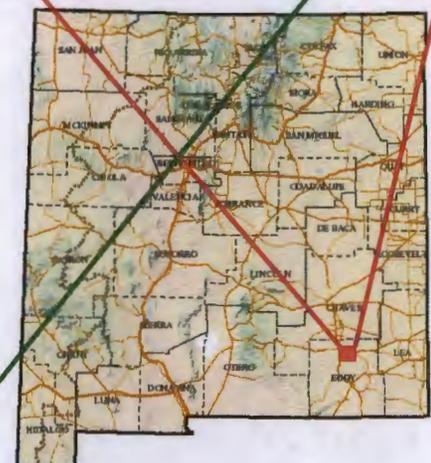
DTD @ 10350'

State 25 Well No.1 - Area of Review / Overview Map

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



~10.0 miles Southeast of
Artesia, NM



Eddy County, New Mexico

Form C-108 Item VI - Tabulation of AOR Wells

Depth to Top of Proposed
WOLFCAMP Injection Interval 7334'

Wells which PENETRATE
Proposed Injection Zone. <NONE>

API Well No.	Current Operator	Well Name	Well No.	Type	Lease	Status	UL	STR	Total Depth
SECTION 25 WELLS									
Subject Well									
30-015-32422	[215256] PAR MINERALS CORP.	STATE 25	#001	Gas	State	Plugged, Site Released	F	25-18S-27E	10350' SEE PLUGGING SCHEMATIC
Other AOR Wells									
30-015-01194	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#029	Oil	State	Active	B	25-18S-27E	2050'
30-015-01192	[20451] SDX RESOURCES INC	ARTESIA METEX UNIT	#028	Injection	State	Plugged, Site Released	C	25-18S-27E	2040' <u>DOES NOT PENETRATE</u>
30-015-00951	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#027	Oil	State	Active	D	25-18S-27E	2040' <u>DOES NOT PENETRATE</u>
30-015-00952	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#036	Oil	State	Active	E	25-18S-27E	2001' <u>DOES NOT PENETRATE</u>
30-015-00950	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#038	Oil	State	Active	F	25-18S-27E	2025' <u>DOES NOT PENETRATE</u>
30-015-27193	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#065	Oil	State	Active	F	25-18S-27E	2210' <u>DOES NOT PENETRATE</u>
30-015-00948	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#039	Oil	State	Active	G	25-18S-27E	2015' <u>DOES NOT PENETRATE</u>
30-015-27158	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#063	Oil	State	Active	G	25-18S-27E	2320' <u>DOES NOT PENETRATE</u>
30-015-00954	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#040	Injection	State	Active	H	25-18S-27E	2123' <u>DOES NOT PENETRATE</u>
30-015-27192	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#064	Oil	State	Active	H	25-18S-27E	2180' <u>DOES NOT PENETRATE</u>
30-015-00955	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#047	Oil	State	Active	J	25-18S-27E	2006' <u>DOES NOT PENETRATE</u>



Form C-108 Item VI - Tabulation of AOR Wells (cont.)

<i>API Well No.</i>	<i>Current Operator</i>	<i>Well Name</i>	<i>Well No.</i>	<i>Type</i>	<i>Lease</i>	<i>Status</i>	<i>UL</i>	<i>STR</i>	<i>Total Depth</i>
30-015-00953	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#046	Oil	State	Active	K	25-18S-27E	2151' <u>DOES NOT PENETRATE</u>
30-015-00949	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#059	Oil	State	Active	K	25-18S-27E	11208'* <u>DOES NOT PENETRATE</u>
<i>*See attached notes for well: Originally P&A'd. 5-1/2" pulled & Cement plugs set. Reenter and C/O to 2450'. DOES NOT PENETRATE</i>									
30-015-27194	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#066	Oil	State	Active	K	25-18S-27E	2200' <u>DOES NOT PENETRATE</u>
30-015-00959	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#045	Injection	State	Active	L	25-18S-27E	2122' <u>DOES NOT PENETRATE</u>
30-015-00960	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#052	Injection	State	Active	M	25-18S-27E	2020' <u>DOES NOT PENETRATE</u>
30-015-00957	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#053	Oil	State	Active	N	25-18S-27E	2000' <u>DOES NOT PENETRATE</u>
30-015-00956	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#054	Injection	State	Active	O	25-18S-27E	2014' <u>DOES NOT PENETRATE</u>
<u>SECTION 24 WELLS</u>									
30-015-00947	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#017	Oil	State	Active	N	24-18S-27E	2035' <u>DOES NOT PENETRATE</u>
30-015-00946	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#018	Oil	State	Active	N	24-18S-27E	2068' <u>DOES NOT PENETRATE</u>
<u>SECTION 26 WELLS</u>									
30-015-00963	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#035	Injection	State	Active	H	26-18S-27E	1986' <u>DOES NOT PENETRATE</u>
30-015-01190	[269864] CANYON E & P COMPANY	ARTESIA METEX UNIT	#044	Oil	State	Active	I	26-18S-27E	2030' <u>DOES NOT PENETRATE</u>



C-108 - Item VI
Wells in AOR

Data and Info for Specific AOR Well

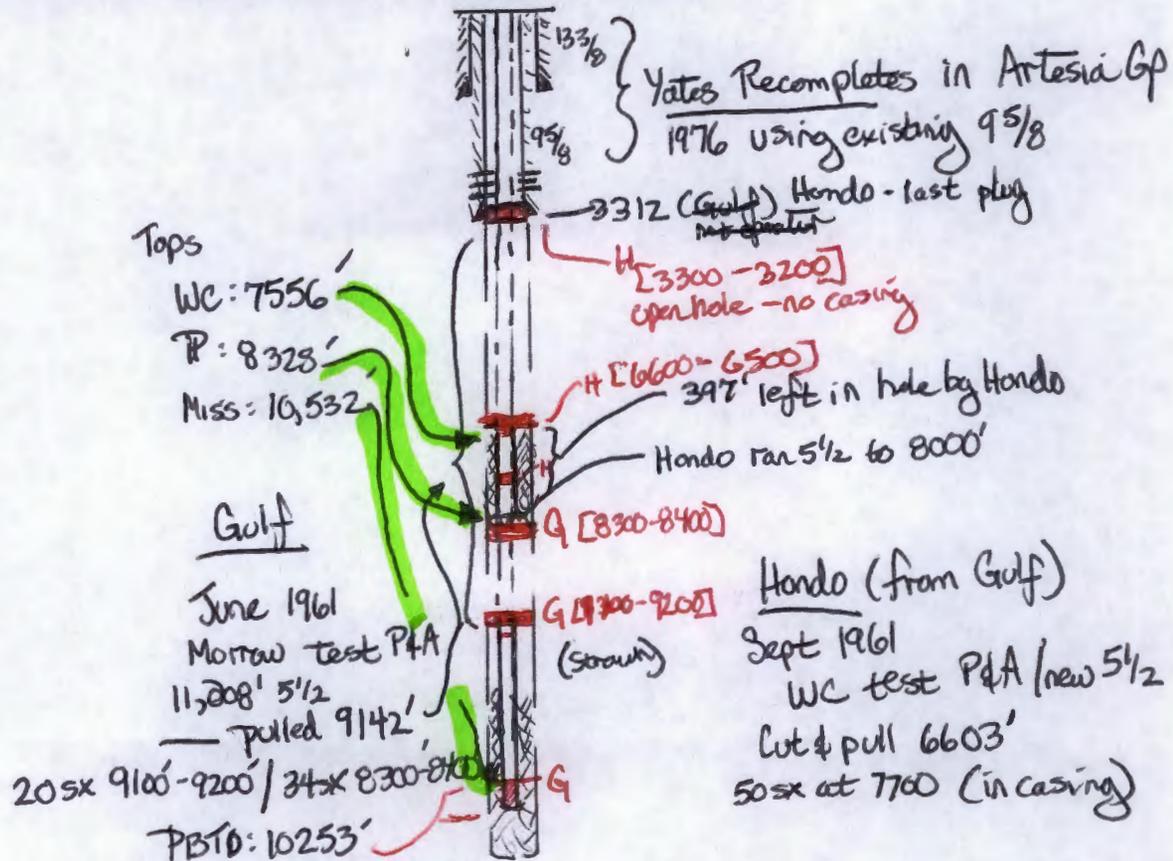
30-015-00949

Artesia Metex Unit Well No.59

This well was originally drilled to 11208' as a Morrow gas producer. The well was plugged in August 1961. It was circulated with heavy plugging mud and several cement plugs were set at appropriate depth. In 1976, Yates Drilling Company reentered the well and completed it as a Grayburg producer, as with all other wells in the area.

For all intents and purposes, the effective TD of the well is now shown as 2450'. The completion report after the reentry shows a PBDT of 3000', still not penetrating the subject intervals of this application.

The original plugging sundry and the completion report follow.



NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 2-55)

MISCELLANEOUS REPORTS ON WELLS

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

Name of Company Hondo-Western-Yates		Address Box 129, Artesia, New Mexico			
Lease	Section	Range	Block	County	State
	1	K	25	18-S	27-E
Date Work Performed 6-27-61	Pool Wildcat	Well Eddy			

THIS IS A REPORT OF WORK DONE ON A WELL

- Beginning Drilling Operations
 Casing Test and Cement Job
 Other (Explain)
- Plugging
 Remedial Work

Detailed account of work done, nature and quantity of materials used and results obtained

As per our C-102 dated 6-26-61 the following is the plugging detail.

Pulled 6603' of 5-1/2" OD Casing.
With a pump truck the following plugs were set with heavy drilling mud between each plug.

- 50 sk. plug set at 7700'
- 25 sk. plug set at 6600'
- 25 sk. plug set at 3300'
- 25 sk. plug set at surface with marker.

Witnessed by A. J. Deans	Position Dist. Prod. Supt.	Company Hondo Oil & Gas Company
------------------------------------	--------------------------------------	-----------------------------------------------

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

DF Elev.	TD	PBTD	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval				

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>W. A. Swartz</i>	Date 9-1-61
Title Oil & Gas Inspector	Signature <i>A. J. Deans by [Signature]</i>
Date SEP 5 1961	Company Hondo Oil & Gas Company

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

RECEIVED

5a. Indicate Type of Lease
State New

5. State Oil & Gas Lease No.
648-131

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RES. RE-ENTRY

19. Unit Agreement Name
Artesia Metex Unit

8. Farm or Lease Name
Artesia, OFFICE

2. Name of Operator
Yates Drilling Company

9. Well No.
59

3. Address of Operator
207 So. 4th St., Artesia, NM 88210

10. Field and Pool, or Wildcat
Artesia

4. Location of Well
UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE AND 2008.6 FEET FROM
West THE LINE OF SEC. 25 TWP. 18S RGE. 27E NMPM

County
Eddy

15. Date Spudded
Re-entry
3-30-76

16. Date T.D. Reached

17. Date Compl. (Ready to Prod.)
4-9-76

18. Elevations (DF, RKB, RT, GR, etc.)
3550.3 GR

19. Elev. Casinghead

20. Total Depth
11208'

21. Plug Back T.D.
3000'

22. If Multiple Compl., How Many

23. Intervals Drilled By
Rotary Tools
Cable Tools

24. Producing Interval(s), of this completion -- Top, Bottom, Name
1891-2018 Grayburg

25. Was Directional Survey Made
No

26. Type Electric and Other Logs Run
GR - CCL

27. Was Well Cored
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	48	527	17 1/2	Circ	----
9-5/8	36	3312	12 1/2	780 sks	----
5 1/2	27 @ 15'	10312	8 3/4	385	6003

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8	1900	None

31. Perforation Record (Interval, size and number)
2 shots/ft 1891-95, 1901-09, 1939-40, 1942-47, 1949-53, 1967-72, 1984-88, 2009-12, 2014-18.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
1939-2018	1250 HCL, 30000*, 12500# s d
1891-1909	500 HCL, 10000*, 7500# s d

* gallons of gelled wtr.

33. PRODUCTION

Date First Production
4-9-76

Production Method (Flowing, gas lift, pumping - Size and type pump)
Pump 1 1/2"

Well Status (Prod. or Shut-in)
Producing

Date of Test 4-14-76	Hours Tested 24	Choke Size --	Prod'n. For Test Period →	Oil - Bbl. 56	Gas - MCF TSTM	Water - Bbl. 0	Gas - Oil Ratio NA
Flow Tubing Press. --	Casing Pressure --	Calculated 24-Hour Rate →	Oil - Bbl. 56	Gas - MCF TSTM	Water - Bbl. 0	Oil Gravity - API (Corr.) 38	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)
Fuel

Test Witnessed By
Von Colvin

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Raymond Yates TITLE Engineer DATE 5/22/76

C-108 ITEM VII – PROPOSED OPERATION

The State 25 No.1 SWD will be operated as a commercial disposal service to area operators to facilitate in disposal of produced water from typical producing formations in the area. (Samples are included in this application from San Andres, Delaware and Morrow formation waters - chlorides and TDS are relative compatible with Wolfcamp and Canyon waters.)

The system will be closed utilizing a tank battery facility located on the well site.

Injection pressure will be 1466 psi with rates limited only by that pressure. In the future, Ray Westall Operating, Inc. may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available to Ray Westall's customers 24/7. The facility will be available for inspections at any time deemed necessary by OCD.

Rates?
- based on pressure

C-108 - Item VII.5

Water Analysis - Disposal Zone



Water Analysis

Date: 2/24/2005

2401 Shiley, Artesia NM 88210

Phone (505) 746-3140 Fax (505) 746-2293

Analyzed For

Westall	State GH1	Edgy	New Mexico
---------	-----------	------	------------

Sample Source		Sample #	1
Formation	Canyon	Depth	
Specific Gravity	1.000	SG @ 60 °F	1.001
pH	6.30	Sulfides	Not Tested
Temperature (°F)	65	Reducing Agents	Not Tested

Cations

Sodium (Calc)	in Mg/L	9,018	in PPM	9,098
Calcium	in Mg/L	8,800	in PPM	8,328
Magnesium	in Mg/L	248	in PPM	228
Soluble Iron (FEZ)	in Mg/L	308.0	in PPM	298

Anions

Chlorides	in Mg/L	24,800	in PPM	22,835
Sulfates	in Mg/L	2,000	in PPM	1,803
Bicarbonates	in Mg/L	185	in PPM	178
Total Hardness (as CaCO3)	in Mg/L	18,000	in PPM	14,272
Total Dissolved Solids (Calc)	in Mg/L	41,844	in PPM	39,813
Equivalent NaCl Concentration	in Mg/L	38,410	in PPM	36,846

Scaling Tendencies

*Calcium Carbonate Index	1,838,884
Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable	
*Calcium Sulfate (Gyp) Index	11,200,000
Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable	

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks FAX 677-2261

C-108 - Item VII.4

Water Analysis - Source Water - SAN ANDRES

B J Services Water Analysis

Artesia District Laboratory
(805)-746-3140

Date: 6-Nov-00 Test #:
 Company: SDX Resources Well #:
 Leaser: Chalk Federal #2 County: **Fddy**
 State: N.M. Formation: San Andres
 Depth: 2800 Source:

pH	8.51	Temp (F)	88.5
Specific Gravity	1.12		

CATIONS	mg/l	mmol	ppm
Sodium (calc.)	6482	2370.7	4882
Calcium	338	160.1	284
Magnesium	1458	120.0	1382
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	3	0.1	2

ANIONS	mg/l	mmol	ppm
Chloride	8300	2023.4	8308
Sulfate	1071	22.3	967
Carbonate	< 1	---	---
Bicarbonate	878	14.4	784
Total Dissolved Solids (calc.)	154120		137607
Total Hardness as CaCO3	14014	280.0	12513

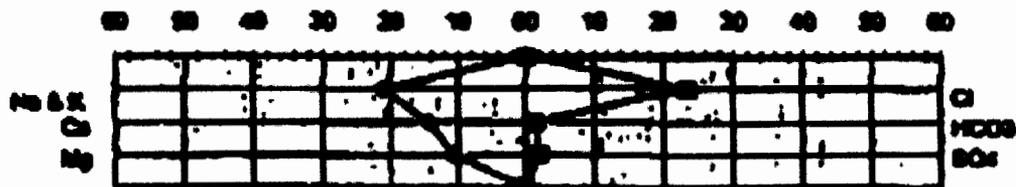
COMMENTS:

Req= 0.0847 @ 51.1 deg.

SCALE ANALYSIS:

CaCO3 Factor 2817807 Calcium Carbonate Scale Probability → Probabl
 CaSO4 Factor 3848800 Calcium Sulfate Scale Probability → Remote

DDE Plot



C-108 - Item VII.4

Water Analysis - Source Water - DELAWARE



Water Analysis

Date: 11-Jan-05

2700 West County Road, Hobbs NM 88240
 Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Devon	Spud 16 State #1	Lee	New Mexico
-------	------------------	-----	------------

Sample Source	Sample	Sample #	1
Formation		Depth	
Specific Gravity	1.106	SG @ 60 °F	1.106
pH	8.98	Sulfides	Absent
Temperature (°F)	68	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	73,885	in PPM	81,668
Calcium	in Mg/L	34,000	in PPM	38,438
Magnesium	in Mg/L	6,040	in PPM	6,714
Soluble Iron (FE2)	in Mg/L	88.9	in PPM	98

Anions

Chlorides	in Mg/L	188,000	in PPM	211,181
Sulfates	in Mg/L	680	in PPM	754
Bicarbonates	in Mg/L	78	in PPM	86
Total Hardness (as CaCO3)	in Mg/L	188,680	in PPM	212,629
Total Dissolved Solids (Calc)	in Mg/L	391,763	in PPM	434,200
Equivalent NaCl Concentration	in Mg/L	284,733	in PPM	317,988

Scaling Tendencies

*Calcium Carbonate Index 2,884,720

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 18,700,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks rw=.040@63f

C-108 - Item VII.4

Water Analysis - Source Water - MORROW



HALLIBURTON

CENTRAL OPERATIONS LABORATORY
 WATER ANALYSIS REPORT
 MORRO, NEW MEXICO

COMPANY Morco

REPORT DATE W03-128
June 18, 2002
 DISTRICT Hobbs

SUBMITTED BY Jim Treib

WELL Ruger Bl. #1 DEPTH _____ FORMATION _____
 COUNTY _____ FIELD _____ SOURCE _____

SAMPLE Morrow Prod. Water

Sample Temp.	<u>84</u>	°F	_____	_____	_____	_____
RESISTIVITY	<u>0.13</u>		_____	_____	_____	_____
SPECIFIC GR.	<u>1.020</u>		_____	_____	_____	_____
pH	<u>8.35</u>		_____	_____	_____	_____
CALCIUM	<u>4.800</u>	mg/L	_____	_____	_____	_____
MAGNESIUM	<u>6.500</u>	mg/L	_____	_____	_____	_____
CHLORIDE	<u>34.500</u>	mg/L	_____	_____	_____	_____
SULFATES	<u>0.00</u>	mg/L	_____	_____	_____	_____
BICARBONATES	<u>10</u>	mg/L	_____	_____	_____	_____
SOLUBLE IRON	<u>0</u>	mg/L	_____	_____	_____	_____
Sodium	_____	mg/L	<u>0</u>	mg/L	<u>0</u>	mg/L
TDS	_____	mg/L	<u>0</u>	mg/L	<u>0</u>	mg/L
OIL GRAVITY	<u>0</u>	°API	<u>0</u>	°API	<u>0</u>	°API

REMARKS _____

MPL = Milligrams per liter
 Resistivity measured by: Chloride/In

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or persons and employees thereof receiving such report from Halliburton Co.

ANALYST: Mike Amberg

C-108 - Item VIII
Geological Data

The Wolfcamp is a light gray-brown fine to medium crystalline fossiliferous limestone with inter-crystalline vugular porosity interbedded with gray shale. Additional porosity can be found when the well bore encounters detrital carbonates which were shed off shelf and foreslope areas and transported down the Wolfcamp paleoslope.

The Cisco Formation (Upper Penn) similar to the Wolfcamp is a gray micritic (fine grained) fossiliferous limestone with vugular porosity. The reservoirs in this area are usually limited in size with up dip porosity loss due to shelf margin carbonate build up.

The combined zones offer good porosity in the proposed injection interval located from 7334' to 9324' with very good porosity interspersed throughout the overall interval.



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code Grant	(quarters are 1=NW 2=NE 3=SW 4=SE)				X	Y	
								Source	6416 4	Sec	Tws			Rng
L 01247	L	DOM	3	GULF OIL CORPORATION	LE	L 01247		1	4	24	18S	27E	572451	3622220*
RA 07935		STK	1.34	BOGLE FARMS	ED	RA 07935		3	3	26	18S	27E	570329	3620335*

(R=POD has been replaced and no longer serves this file. (quarters are 1=NW 2=NE 3=SW 4=SE)
C=the file is closed) (quarters are smallest to largest) (NAD83 UTM in meters)

Record Count: 2

PLSS Search:

Section(s): 23-26, 35, 36 Township: 18S Range: 27E

Sorted by: File Number

NOTE: NEITHER WELL IS LOCATED WITHIN ONE MILE OF THE SUBJECT WELL.

WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code Grant	(quarters are 1=NW 2=NE 3=SW 4=SE)				X	Y	
								Source	6416 4	Sec	Tws			Rng
RA 08239		STK	1.8	BOGLE FARMS	CH	RA 08239		1	1	30	18S	28E	572964	3620912*

(R=POD has been replaced and no longer serves this file. (quarters are 1=NW 2=NE 3=SW 4=SE)
C=the file is closed) (quarters are smallest to largest) (NAD83 UTM in meters)

Record Count: 1

PLSS Search:

Section(s): 19, 30, 31 Township: 18S Range: 28E

Sorted by: File Number

Admin (WR) - Declaration

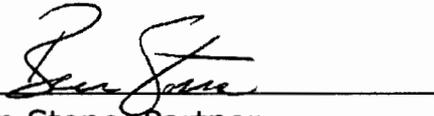
NOTE: WITHIN ONE MILE OF SUBJECT WELL – ANALYSIS PENDING AND TO BE FORWARDED TO NMOCD.

*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.

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

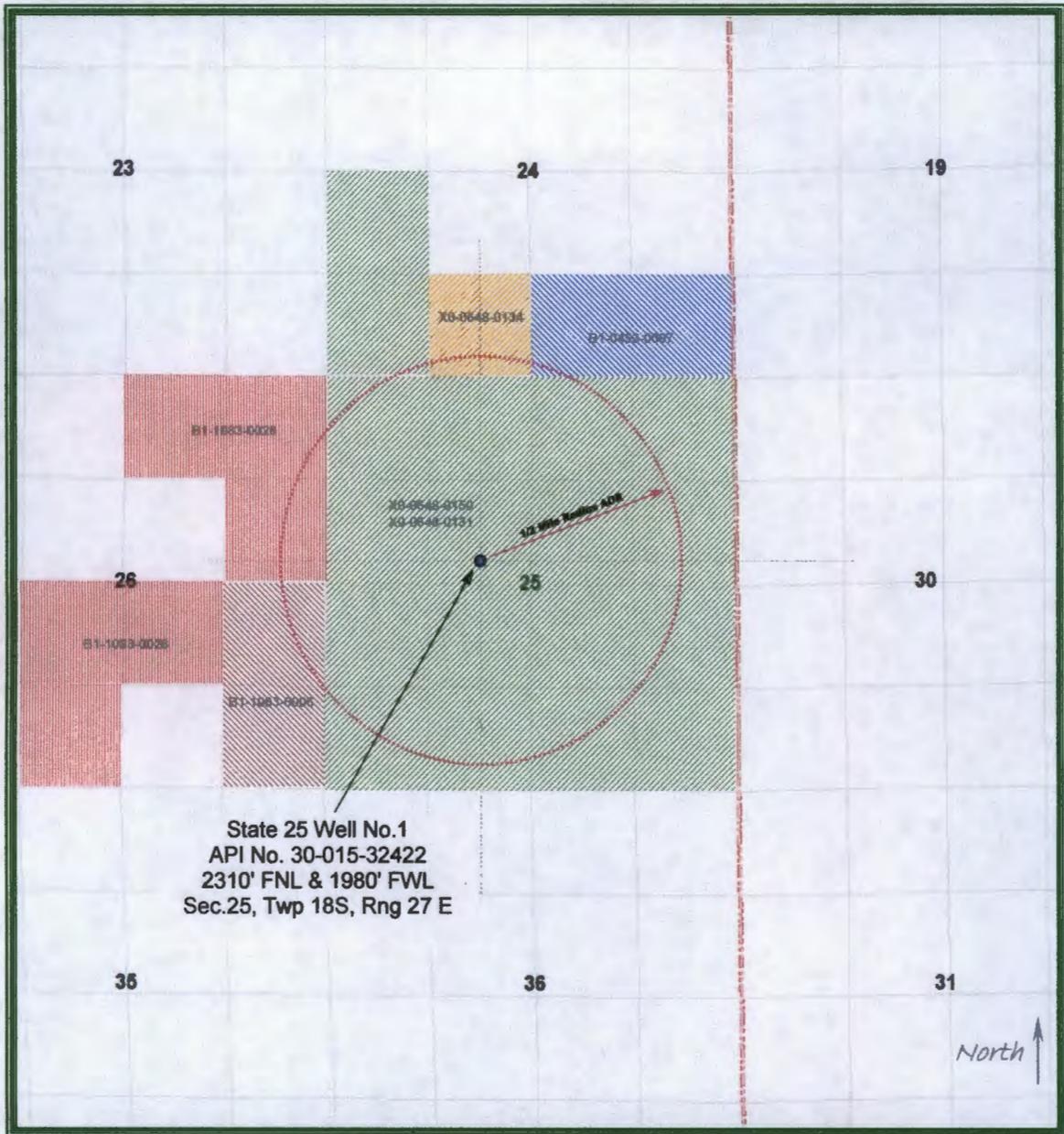
A handwritten signature in black ink, appearing to read "Ben Stone", is written over a solid horizontal line.

Ben Stone, Partner
SOS Consulting, LLC

Project: Ray Westall Operating, Inc.
State 25 No.1
Reviewed 11/19/2013

State 25 Well No.1 - Leasehold Plat

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



RAY WESTALL OPERATING, INC.

LEGEND

-  X0-0648-0150 - Khody Land & Minerals Company
-  X0-0648-0131 - Marathon Oil Company
-  B1-0453-0007 - Vilas P. Sheldon Trust
-  B1-1083-0006 - Yates Brothers
-  B1-1083-0028 - Lobos Energy Partners & Marathon Oil
-  X0-0648-0134 - OXY Y-1 Company

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

SURFACE 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 (All Notified via USPS Certified Mail)

State Lease X0-0648-0150

Lessee

- 1 KHODY LAND AND MINERALS COMPANY
Attn: Ken Hammonds
210 Park Avenue, Ste., 900
Oklahoma City, OK 73102

Operator

- 2 CANYON EXPLORATION & PRODUCTION
4925 Greenville Ave., Suite 900
Dallas, TX 75206

State Lease X0-0648-0131

Lessee

- 3 MARATHON OIL COMPANY
P.O. Box 2069
Houston, TX 77252-2069

Operator

- 4 QUANTUM RESOURCES MANAGEMENT, LLC
1401 McKinney St., Suite 2400
Houston, TX 77010

State Lease B1-0453-0007

Lessee

- 5 VELAS P. SHELDON TRUST
Attn: Gary Allen Lee, Trustee
P. O. Box 1872
Kingsland, TX 78639

Operator

- CANYON EXPLORATION & PRODUCTION
4925 Greenville Ave., Suite 900
Dallas, TX 75206

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

State Lease B1-1083-0006

Lessee

6 YATES BROTHERS
105 South 4th St.
Artesia, NM 88201

Operator

CANYON EXPLORATION & PRODUCTION
4925 Greenville Ave., Suite 900
Dallas, TX 75206

State Lease B1-1083-0028

Lessee

7 LOBOS ENERGY PARTNERS & MARATHON OIL COMPANY
P. O. Box 2236
Midland, TX 79702-2236

Operator

8 YATES PETROLEUM COMPANY
105 South 4th St.
Artesia, NM 88201

State Lease X0-0648-0134

Lessee

9 OXY 1-Y COMPANY
PO Box 1188
Houston, TX 77251

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)
811 S. First St.
Artesia, NM 88210

NEW MEXICO STATE LAND OFFICE (FedEx'ed copy)
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM



November 18, 2013

NOTIFICATION TO INTERESTED PARTIES

via U.S. Certified Mail

To Whom It May Concern:

Ray Westall Operating, Inc., Loco Hills, New Mexico, has made application to the New Mexico Oil Conservation Division to reenter and configure for salt water disposal its State 25 Well No.1. The proposed commercial operation will be for produced water disposal from area operators. As indicated in the notice below, the well is located in Section 25, Township 18 South, Range 27 East in Eddy County, New Mexico.

The published notice states that the bottom of the interval will be no deeper than 9324 feet. The uppermost top of the interval will be 7334 feet.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico during the week of November 18, 2013.

LEGAL NOTICE

Ray Westall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to reenter and permit for salt water disposal its State 25 Well No.1. The well, API No.30-015-32422 is located 2310 FNL & 1980 FWL in Section 25, Township 18 South, Range 27 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp and Cisco Canyon formations through an openhole completion from a maximum applied for top of 7334 feet (bottom of casing) to maximum depth of 9324 feet. Specific perforated intervals will be determined later. Maximum injection pressure of 1466 psi and a maximum rate limited only by such pressure.

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.

You have been identified as a party who may be interested as an offset lessee or operator.

You are entitled to a full copy of the application. If so desired, please call or email SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you. If a copy has already been sent to you or your company, we will advise you of that and the address to which it was sent.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" and last name "Stone" clearly distinguishable.

Ben Stone, SOS Consulting, LLC
Agent for Ray Westall Operating, Inc.

Cc: Application File

C-108 – Item XIV – Published Notice

Page 10 - The Artesia (NM) Daily Press - November 17, 2013



Carson
REAL ESTATE, INC.
1125 W. Main St. Ste. 100
Artesia, NM 88210
703-488-9850



HOME LOANS
From Your Home Team

LEGAL NOTICE

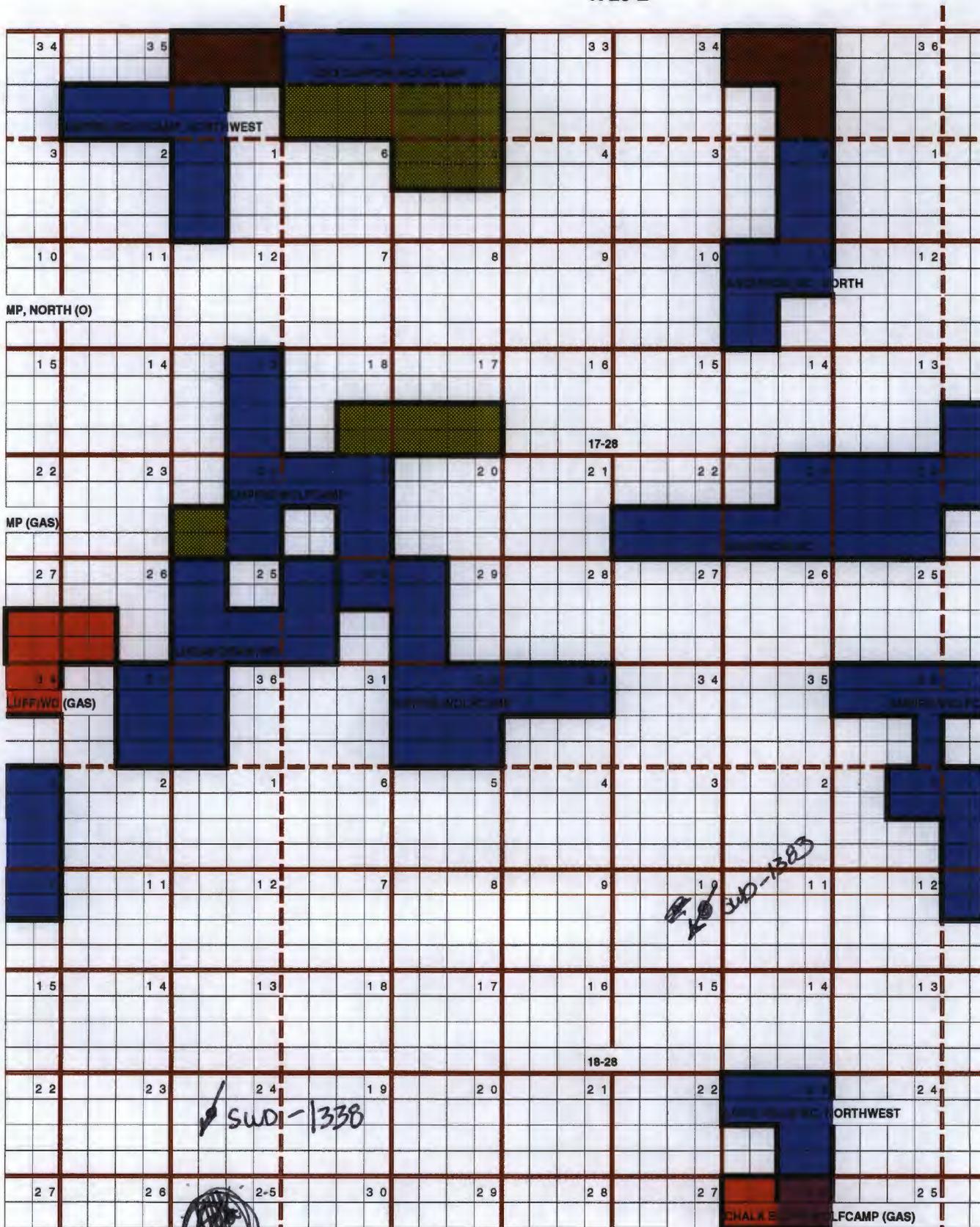
Ray Wastall, Inc., P.O. Box 4, Loco Hills, NM 88255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to reenter and permit for salt water disposal its State 25 Well No. 1. The well, API No.30-015-32422 is located 2310 FNL & 1980 FWL in Section 25, Township 18 South, Range 27 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp and Cisco Canyon formations through an openhole completion from a maximum applied for top of 7334 feet (bottom of casing) to maximum depth of 9324 feet. Specific perforated intervals will be determined later. Maximum injection pressure of 1466 psi and a maximum rate limited only by such pressure.

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Published in the Artesia Daily Press, Artesia, N.M., Nov. 17, 2013, Legal No. 22790.

State 25 Well #1 / SWD

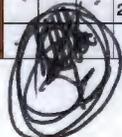
R 28 E



18-27

SWD-1338

SWD-1383

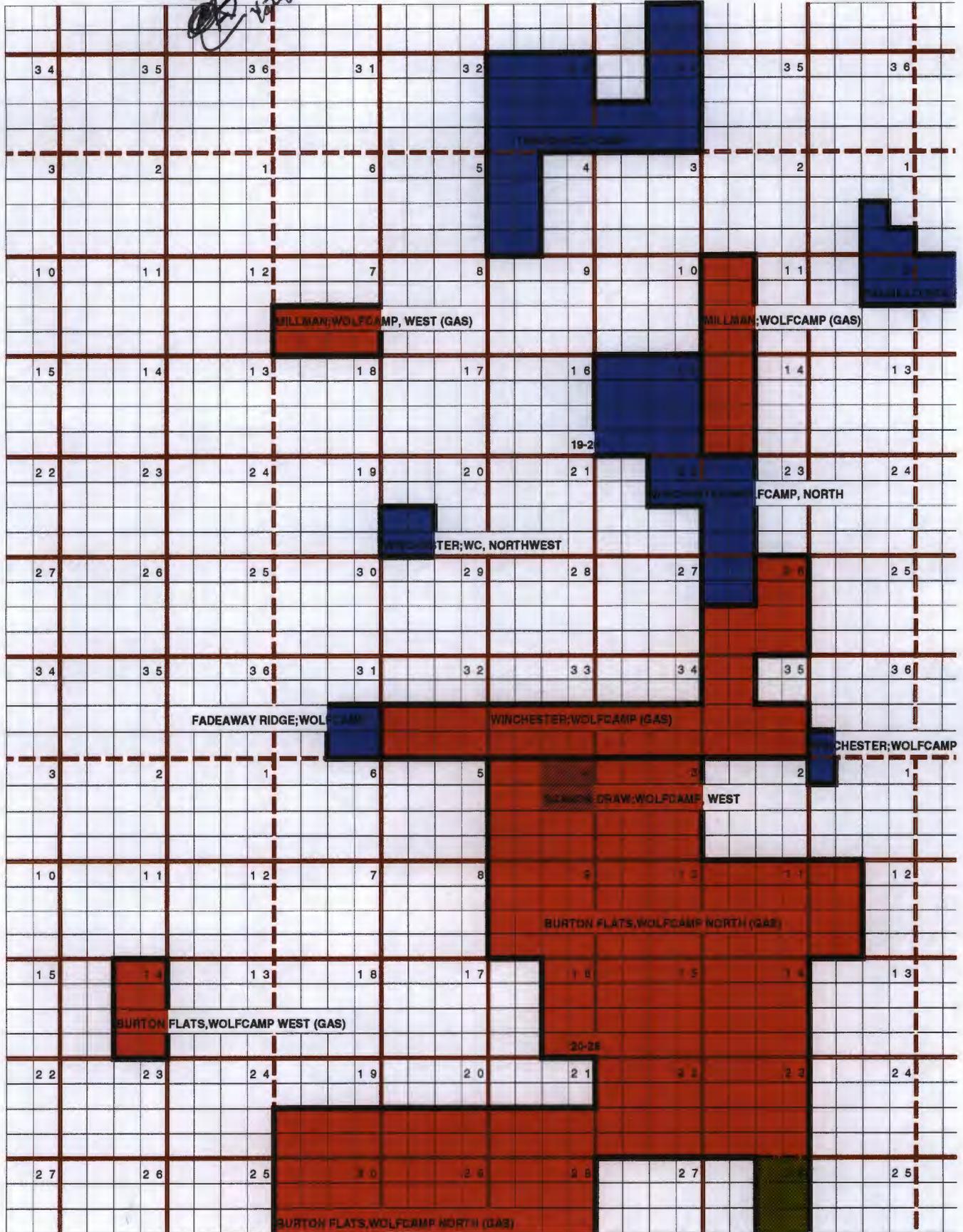


Wolfcamp Pools 1 of 2

State 25 notes

State 25 Well# / SWD

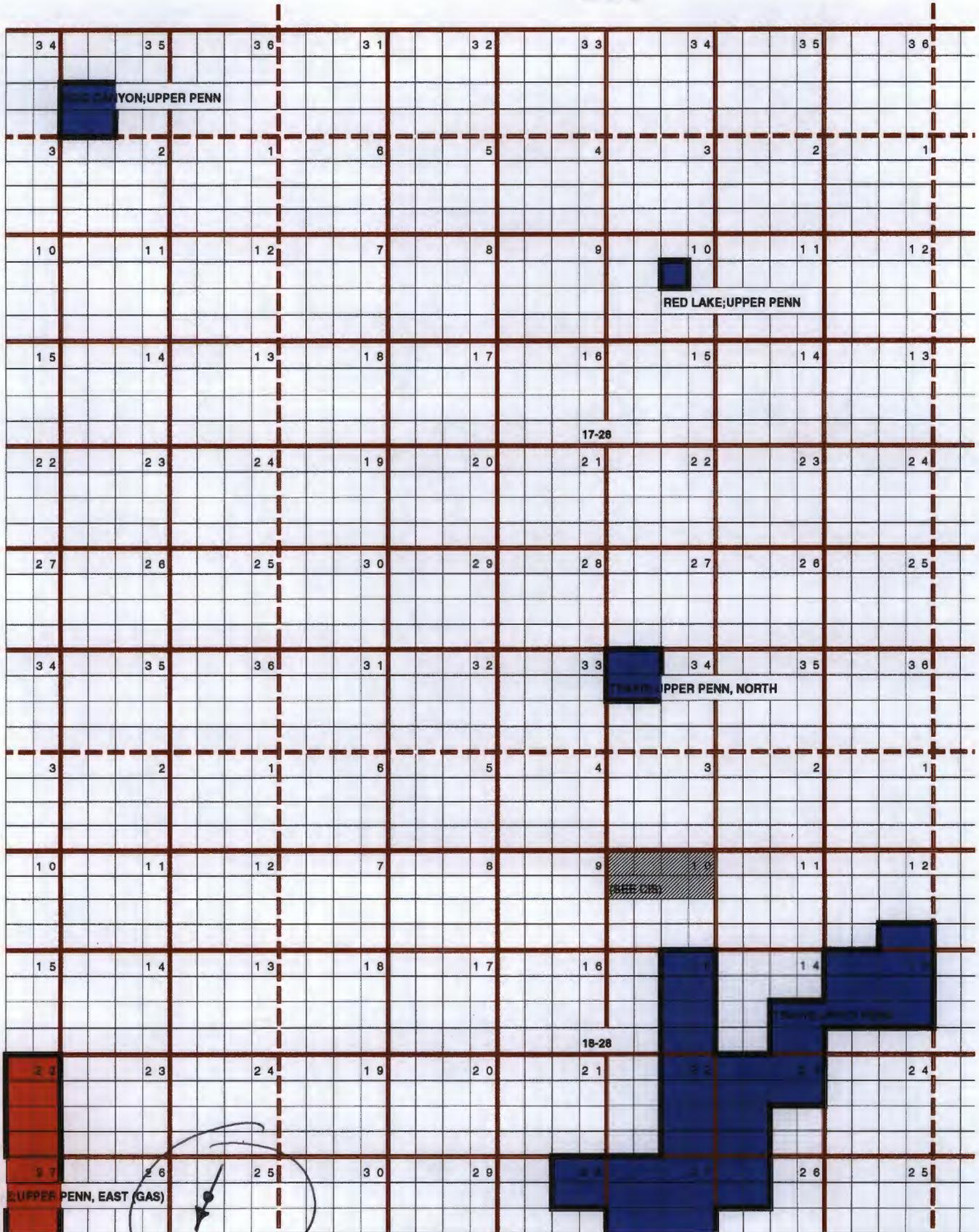
18-27



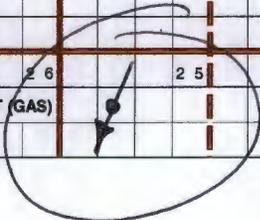
Wolfcamp Pools 2 of 2

State 25 Well #1 / SWD

R 28 E



18-27



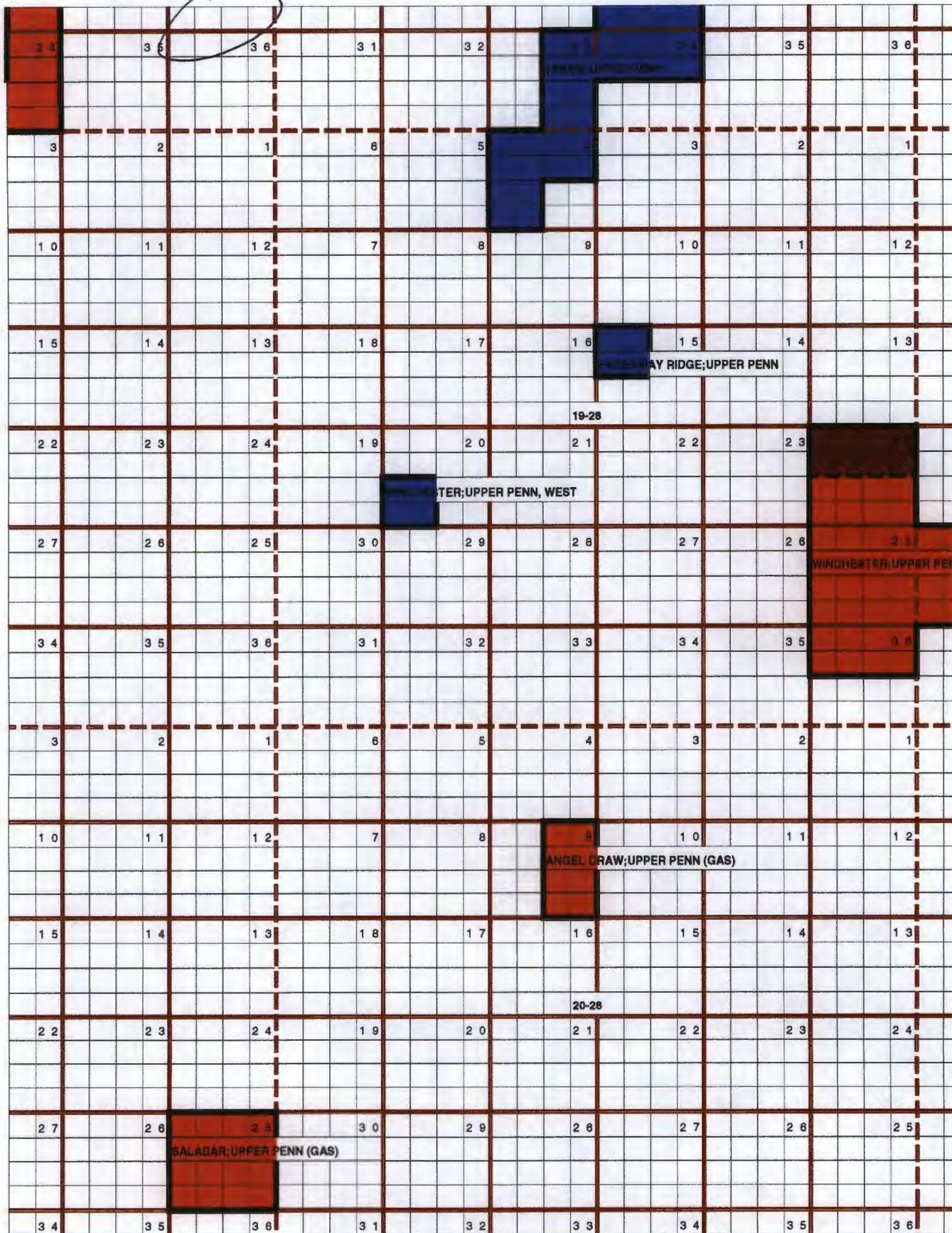
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1 of 3

18-27

State 25 well #1

/ SWD

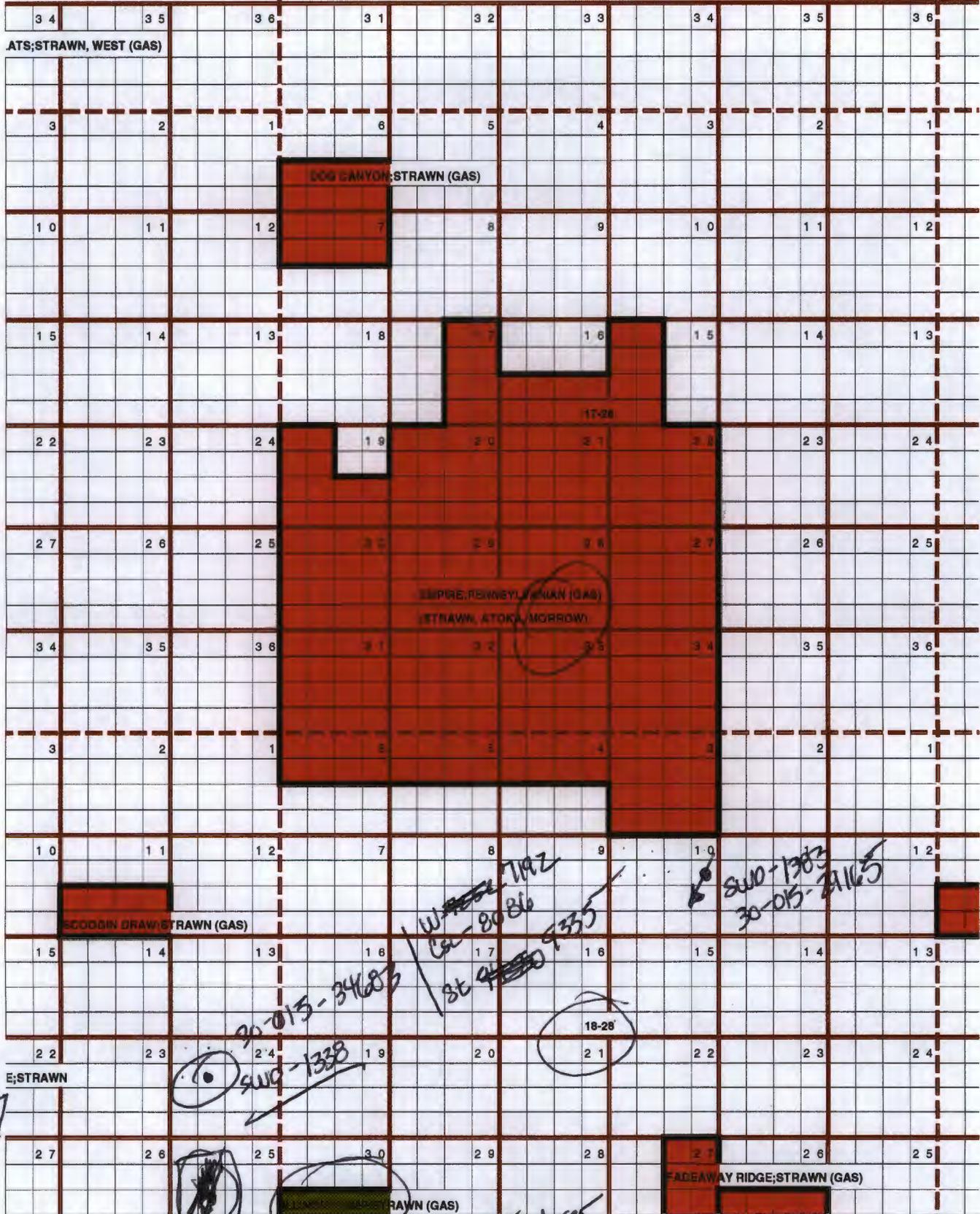


TP

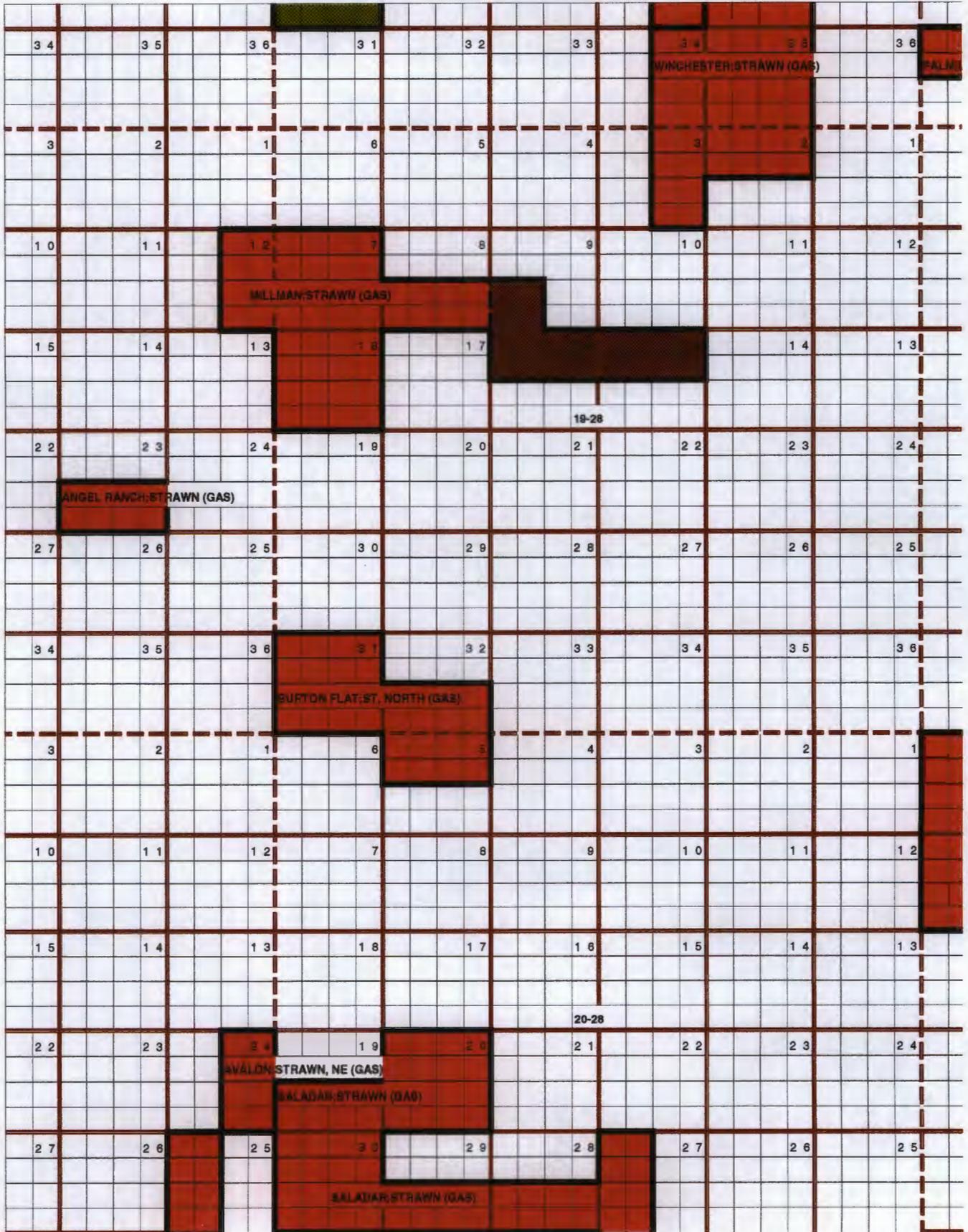
2 of 2

State 25 Well #1 / SWD

R 28 E



State 25 well #1 / SWD



Strawn / Morrow 2 of 2