

DATE 03/19/2014	SUSPENSE	ENGINEER PRG	LOGGED IN 03/20/2014	TYPE SWD	APP NO. PPRG 1408337581
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

*Ray Westall operating
 state
 Two Forks No. 1
 30-015-24655
 WC/Gisco/Conyon*

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A]** ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B]** ☒ Offset Operators, Leaseholders or Surface Owner
- [C]** ☒ Application is One Which Requires Published Legal Notice
- [D]** ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]** ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]** ☐ Waivers are Attached

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

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

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

Ben Stone
 Print or Type Name

Signature

Agent for Ray Westall

Title
 ben@sosconsulting.us
 e-mail Address

3/18/14

Date



March 17, 2014

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
Two Forks No.1 well located in Section 2, Township 18 South, Range 28 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 covert for disposal, the Two Forks Well 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 February 23, 2014 edition of the Artesia Daily Press and all offset operators and other interested parties have been notified individually. The legal notice affidavit is included in this application package. 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 private land and state minerals 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,

A handwritten signature in black ink, appearing to read "Ben Stone", written in a cursive style.

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 penetrates subject interval - 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. A log strip with prospective perfs is included.**
- *XI. **State Engineer's records indicates two domestic water wells within one mile the proposed salt water disposal well. 1 not found – affidavit included, the other will be sampled and results forwarded to OCD.** *When? Pod/no well*
- 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 18 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: **3/14/2014**

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:

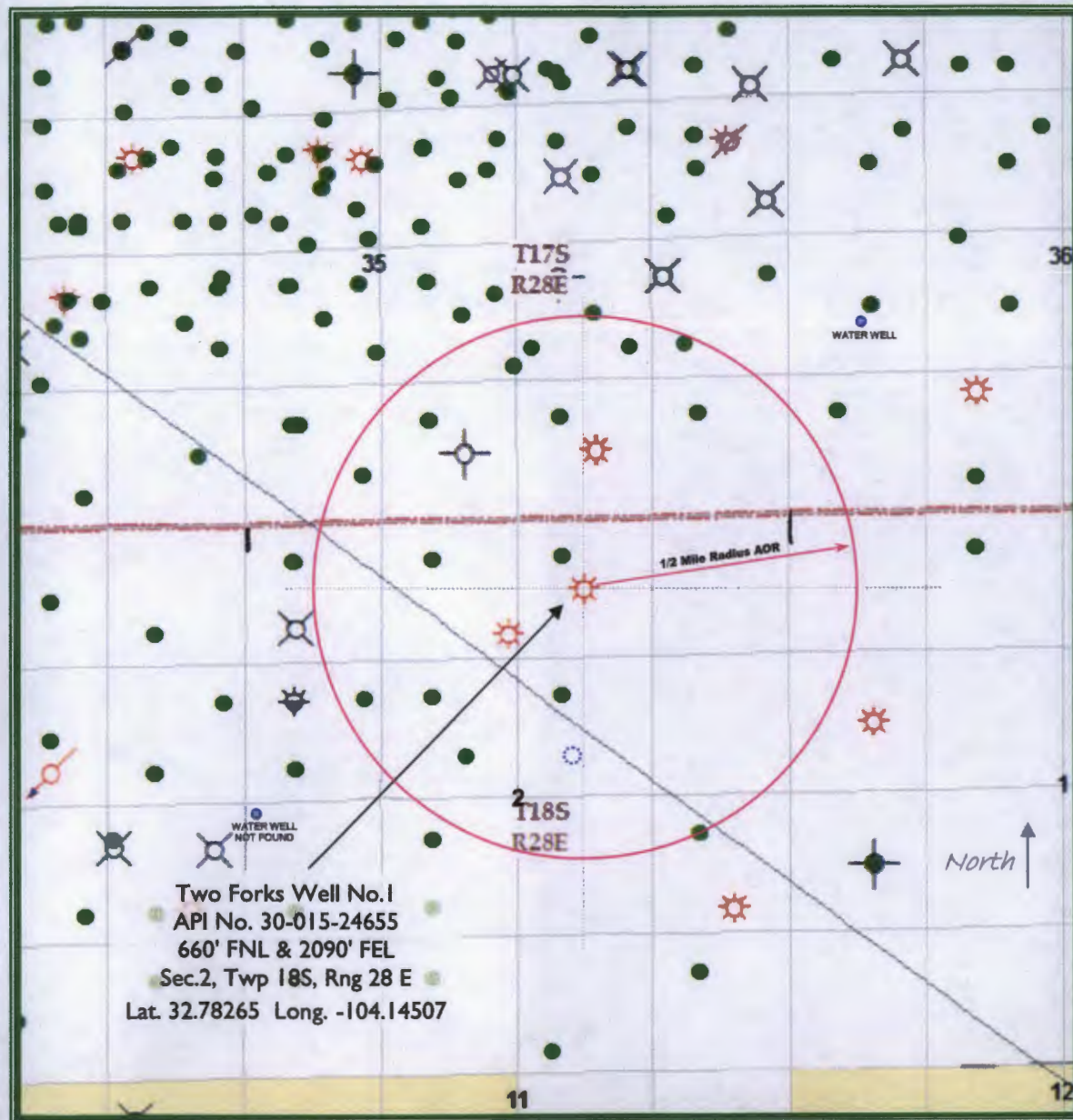
- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates 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.

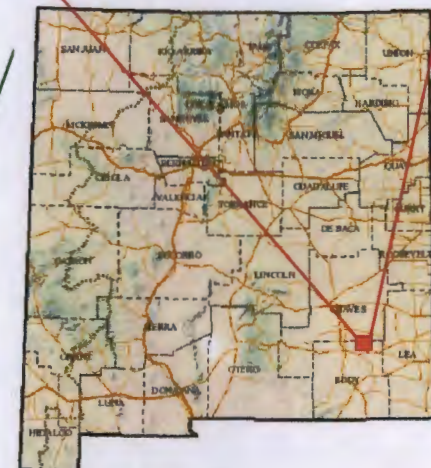
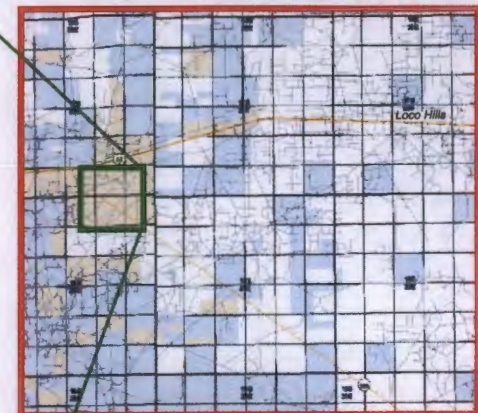
NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Two Forks Well No.1 - Area of Review / Overview Map

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



~11.0 miles West / Southwest
of Loco Hills, NM



Eddy County, New Mexico



RAY WESTALL OPERATING, INC.

SOS Consulting, LLC

Form C-108 Item VI - Tabulation of AOR Wells

Top of Proposed WOLFCAMP
Interval 7100'

Wells which PENETRATE Proposed
Injection Zone.

API	Current Operator	Well Name	Well No.	Type	Lease	Status	UL	S-T-R	Depth
Subject Well									
30-015-24655	[240974] LEGACY RSRVS OPERATING, LP	TWO FORKS STATE	#001	Gas	State	P&A	2	2-18S-28E	
13.375" (17.5" hole) @ 519' w/ 575 sx Circ; 8.625" (11.0" hole) @ 2899' w/ 1150 sx Circ Surf; 5.5" (7.875" hole) @ 10985' w/ 1075 sx TOC 4380' by Temp.									

Section 2 Wells

30-015-01783	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#034	Oil	State	Active	2	2-18S-28E	2706'
30-015-01786	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	State	P&A	C	2-18S-28E	2581'
30-015-01785	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#035	Oil	State	Active	3	2-18S-28E	2676'
30-015-01780	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#050	Oil	State	Active	E	2-18S-28E	2662'
30-015-01771	[274841] ALAMO PERMIAN RSRCS, LLC	FEATHERSTONE STATE E	#003	Oil	State	Active	F	2-18S-28E	2676'
30-015-39592	[274841] ALAMO PERMIAN RSRCS, LLC	FEATHERSTONE STATE E	#006	Oil	State	Active	F	2-18S-28E	3520'
30-015-01774	[274841] ALAMO PERMIAN RSRCS, LLC	FEATHERSTONE STATE E	#005	Oil	State	Active	G	2-18S-28E	2737'
30-015-39622	[274841] ALAMO PERMIAN RSRCS, LLC	FEATHERSTONE STATE E	#007	Oil	State	New	G	2-18S-28E	3300' propsd
30-015-01777	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	State	P&A	I	2-18S-28E	2819'
30-015-01769	[274841] ALAMO PERMIAN RSRCS, LLC	FEATHERSTONE STATE B	#001	Oil	State	Active	J	2-18S-28E	2875'

Section 35 Wells

30-015-40136	[873] APACHE CORP	D STATE	#097	Oil	State	Active	I	35-18S-28E	4750'
30-015-40145	[873] APACHE CORP	D STATE	#084	Oil	State	Active	J	35-18S-28E	4701'
30-015-40238	[873] APACHE CORP	D STATE	#093	Oil	State	Active	J	35-18S-28E	4700'
30-015-01748	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#021	Oil	State	Active	J	35-18S-28E	2634'
30-015-31488	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#088	Oil	State	Active	K	35-18S-28E	3100'
30-015-33285	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#101	Oil	State	Active	M	35-18S-28E	2156'
30-015-01731	[214263] PRE-ONGARD OP	PRE-ONGARD WELL	#001	Oil	State	P&A	N	35-18S-28E	7002'
30-015-01742	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#029	Injection	State	Active	N	35-18S-28E	2495'
30-015-24059	[10701] ASPEN OIL INC	STATE BX COM	#001	Gas	State	Active	O	35-18S-28E	10861'
13.375" (17.5" hole) @ 811' w/ 950 sx Circ; 8.625" (11.0" hole) @ 2713' w/ 1200 sx Circ; 7.0" (7.875" hole) @ 10861' w/ 950 sx TOC 5833' by Calc; Sqz 3554'-84' w/ 285 sx; Perfs: 10208'-219'									
30-015-01743	[214263] PRE-ONGARD OP	PRE-ONGARD WELL	#030	Oil	State	P&A	O	35-18S-28E	2535'
30-015-01744	[243874] QUANTUM RSRCS MGT, LLC	ARTESIA UNIT	#031	Oil	State	Active	P	35-18S-28E	2575'

APC
Hoka + Morrow

1 Active



CURRENT CONFIGURATION

PLUGGED WELL SCHEMATIC Two Forks State Well No.1

API 30-015-24655
660' FNL & 2090' FWL, SEC. 2-T18S-R28E
EDDY COUNTY, NEW MEXICO

NSL-5086

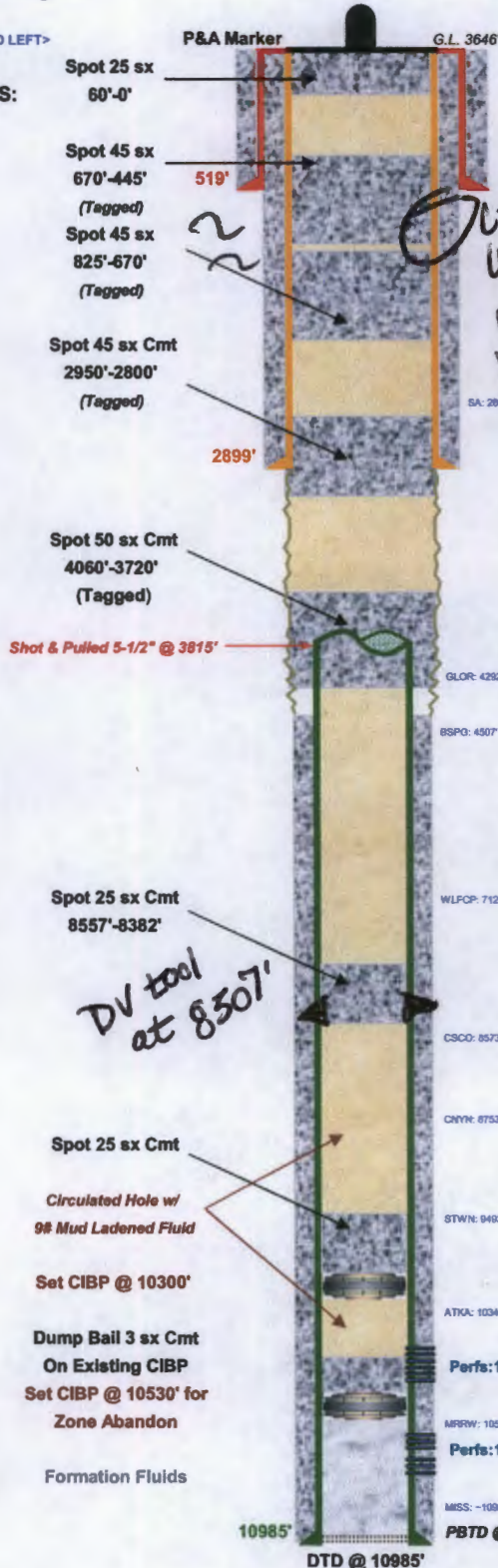
Spud Date: 10/29/1983

P&A Date: 1/05/2009

Well plugged by:
Legacy Reserves Operating Co.

<PLUGGING ITEMS LISTED LEFT>

PLUGS:



<PRE-P&A EXISTING ITEMS LISTED RIGHT>

Surface Casing

13.375", 55.0# Csg. (17.5" Hole) @ 519'

575 sx - Circulated to Surface

Intermediate Casing

8.625", 32.0# csg. (11.0" Hole) @ 2899'

1150 sx - Circulated to Surface

(Finished off w/ 1" 830 sx of total) - Circ. 30 sx to Surf.

<P&A SUBSEQUENT SUNDRY>

APR 27 2009

STATE OF NEW MEXICO
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER
1000 NE 10th St., Suite 200
ALBUQUERQUE, NM 87102

SUNDRY NOTES AND REPORTS TO BE FILED
1. Name of Operator: LEGACY RESERVES OPERATING CO. L.P.
2. Address of Operator: P.O. BOX 10455
ALBUQUERQUE, NM 87110
3. Well Location: SEC. 2-T18S-R28E
EDDY COUNTY, NM
4. Well Number: 30-015-24655
5. Well Name: Two Forks State
6. Well Type: Oil
7. Well Status: Active
8. Well Depth: 10985'
9. Well Completion: 10985'
10. Well Completion Date: 10/29/1983
11. Well Completion By: LEGACY RESERVES OPERATING CO. L.P.
12. Well Completion Description: 10985' DTD @ 10985'

NOTICE OF SEVERITY FOR
1. Name of Operator: LEGACY RESERVES OPERATING CO. L.P.
2. Address of Operator: P.O. BOX 10455
ALBUQUERQUE, NM 87110
3. Well Location: SEC. 2-T18S-R28E
EDDY COUNTY, NM
4. Well Number: 30-015-24655
5. Well Name: Two Forks State
6. Well Type: Oil
7. Well Status: Active
8. Well Depth: 10985'
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10. Well Completion Date: 10/29/1983
11. Well Completion By: LEGACY RESERVES OPERATING CO. L.P.
12. Well Completion Description: 10985' DTD @ 10985'

Signature: [Signature]
Title: President/Operator, P.S.
Date: 4/20/09

Signature: [Signature]
Title: Secretary
Date: 4/20/09

Signature: [Signature]
Title: Secretary
Date: 4/20/09

TOC at
500' by
TS;
Squeeze
backside
with
250 SX

Production Casing

5.5", 17.0 & 20.0# Csg (7.875" Hole) @ 10985'

1075 sxs CIs H - TOC @ 4380' by Temp



D. Patrick Dardos, PE #75793



WELL SCHEMATIC - PROPOSED Two Forks State Well No.1 SWD

API 30-015-24655

660' FNL & 2090' FWL, SEC. 2-T18S-R28E
EDDY COUNTY, NEW MEXICO

Spud Date: 10/29/1983
Re-Entry Date: ~5/15/2014

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.
Run & Set New 5-1/2" - Tie Into Stub
w/ Overshot & Csg Patch - Circ Cmt to Surf.
Set CIBP @ 10100' w/ 30' Cmt Cap.
Perforate Specific Intervals TBD.
Run PC Tubing and PKR - Conduct MIT.
Commence Disposal Operations.

Surface Casing

13.375", 55.0# Csg. (17.5" Hole) @ 519'
575 sx - Circulated to Surface

Intermediate Casing

8.625", 32.0# csg. (11.0" Hole) @ 2899'
1150 sx - Circulated to Surface

NEW Production Casing

5.5", 17.0# Csg - Surface to 3815'
Est. ~600 sx w/ excess Cls C - Circulate to Surface

New 5-1/2" w/ Overshot / Seal / Csg Patch @ 2950'

Annulus Loaded
w/ Inert Packer Fluid

2.375" IC Tubing
PKR ~7005'

NOTE: Strawn Intervals are being
analyzed for suitable porosity and may
or may not be utilized for injection.

Set CIBP @ 9980' w/ 30' Cmt
(Or for Strawn Comp. 10100' w/ 30' Cmt)

Existing CIBP @ 10300'
Cap w/ 25 Sx Cmt.

Dv tool
at 8507'

WLFOP: 7120'
Wolfcamp Perfs: 7120' Uppermost Perf

CISCO: 8577'
CISCO Perfs: Specific Depths To Be Determined.

CANYON: 8753'
CANYON Perfs: Specific Depths To Be Determined

STWN: 9493'
STRWN Perfs: Lowermost 10080' (Optional)

ATKA: 10340'

Existing Perfs: 10680'-84', 10706'-10'

MISE: ~10800'

PSTD @ 10923'

10985'
DTD @ 10985'

WC top at 7120'
- top perf, no
shallower than
7145'
based on log
provided

Production Casing

5.5", 17.0 & 20.0# Csg (7.875" Hole) @ 10985'
1075 sxs Cls H - TOC @ 4380' by Temp

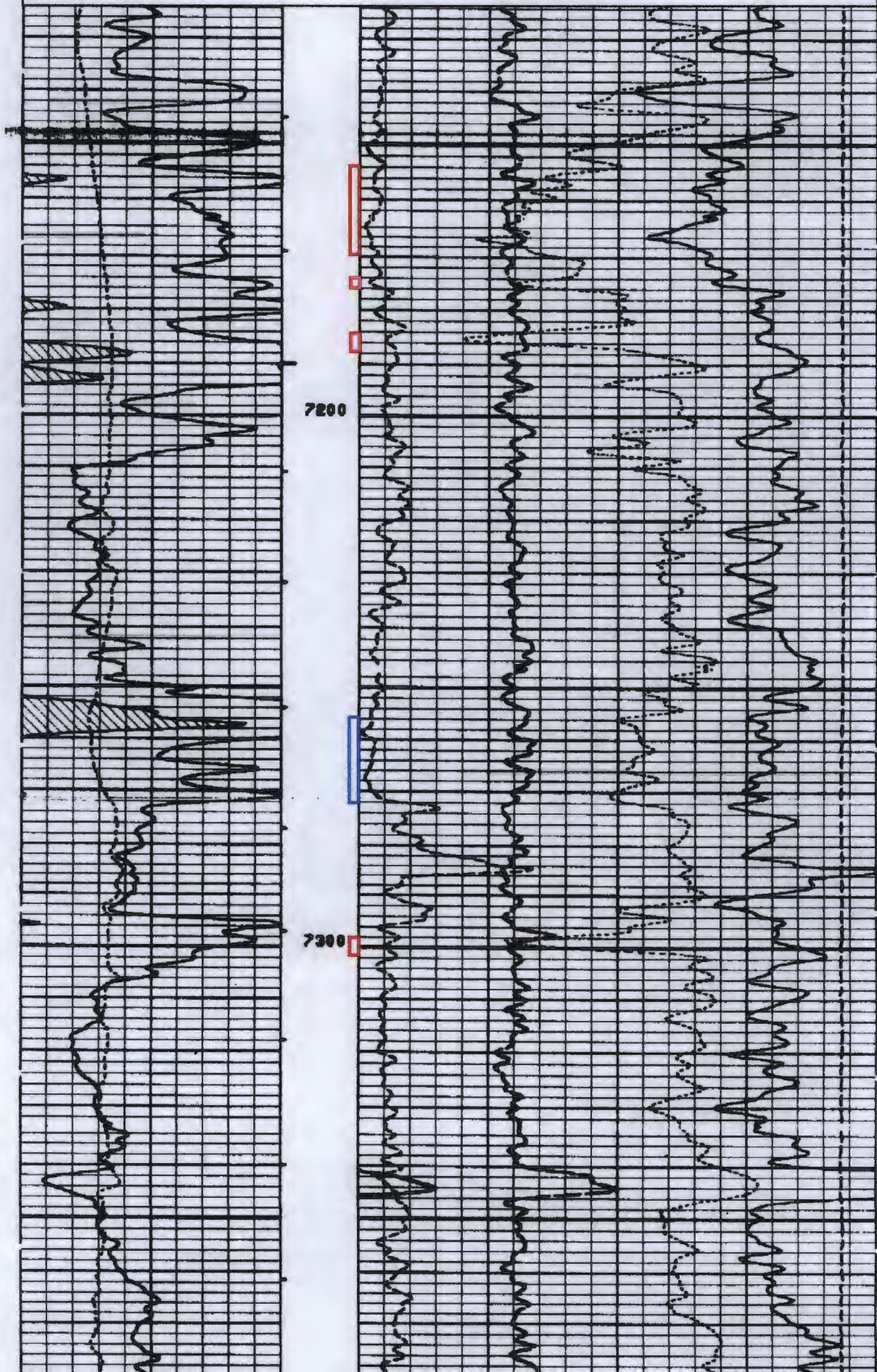


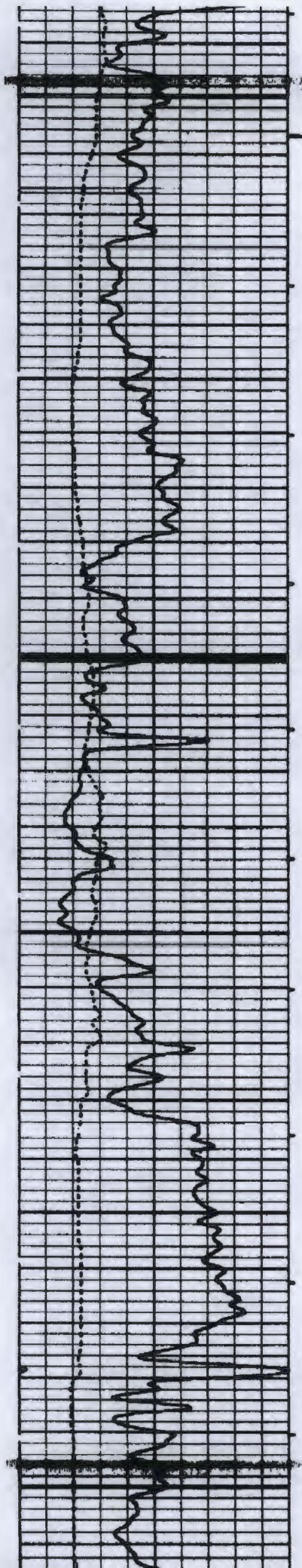
Drawn by: Ben Stone, 2/24/2014

7100

TWO FORKS NO.1 - PRELIMINARY PERF SELECTION
FINAL DETERMINATION MADE LATER BETWEEN MAX TOP 7100' TO MAX BOTTOM 9890'

Primary Secondary/Optional

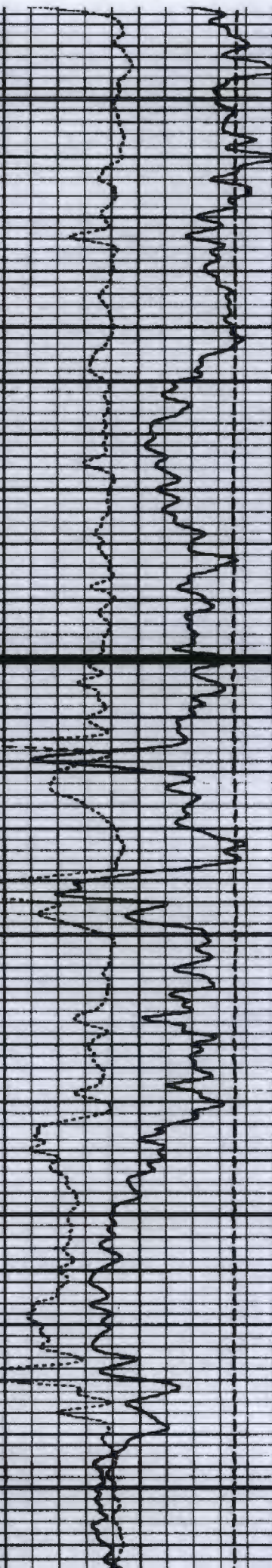
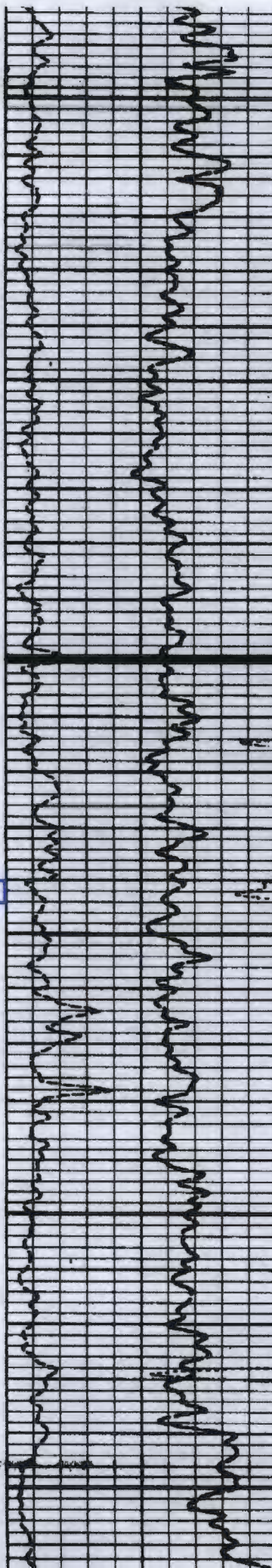


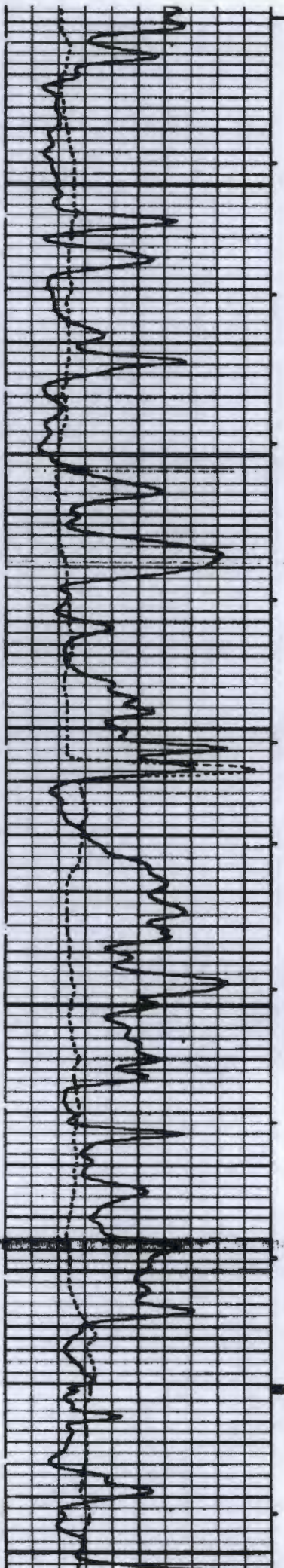


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7500

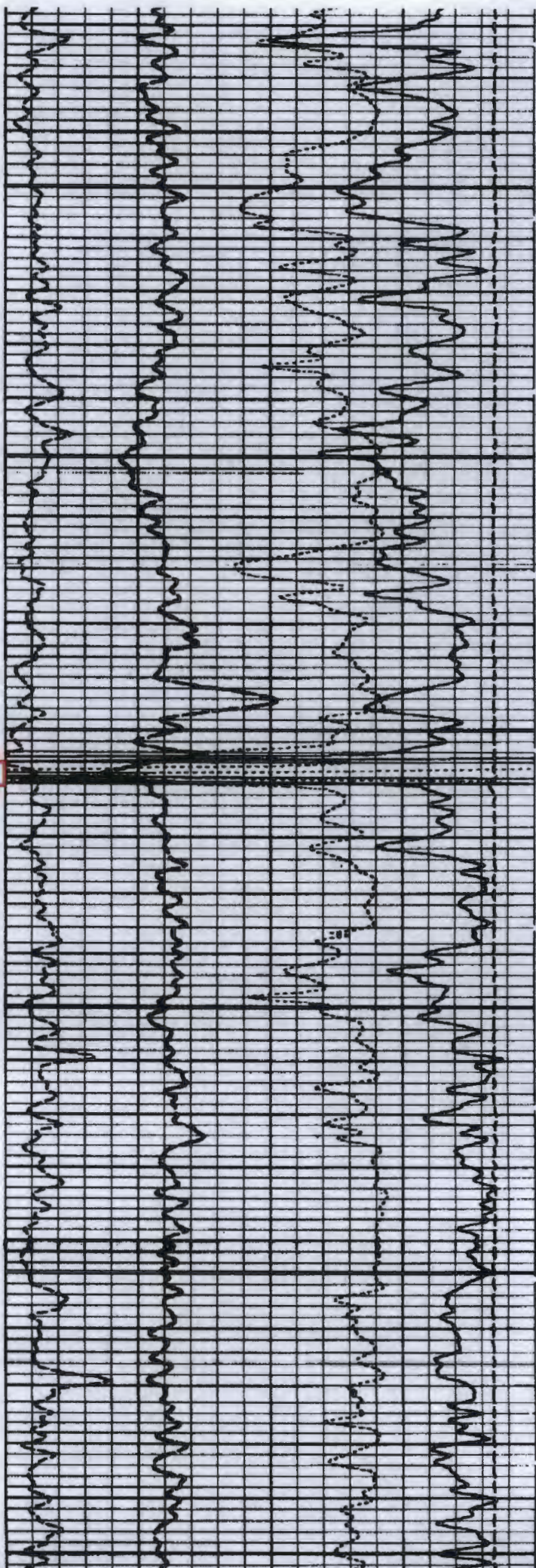
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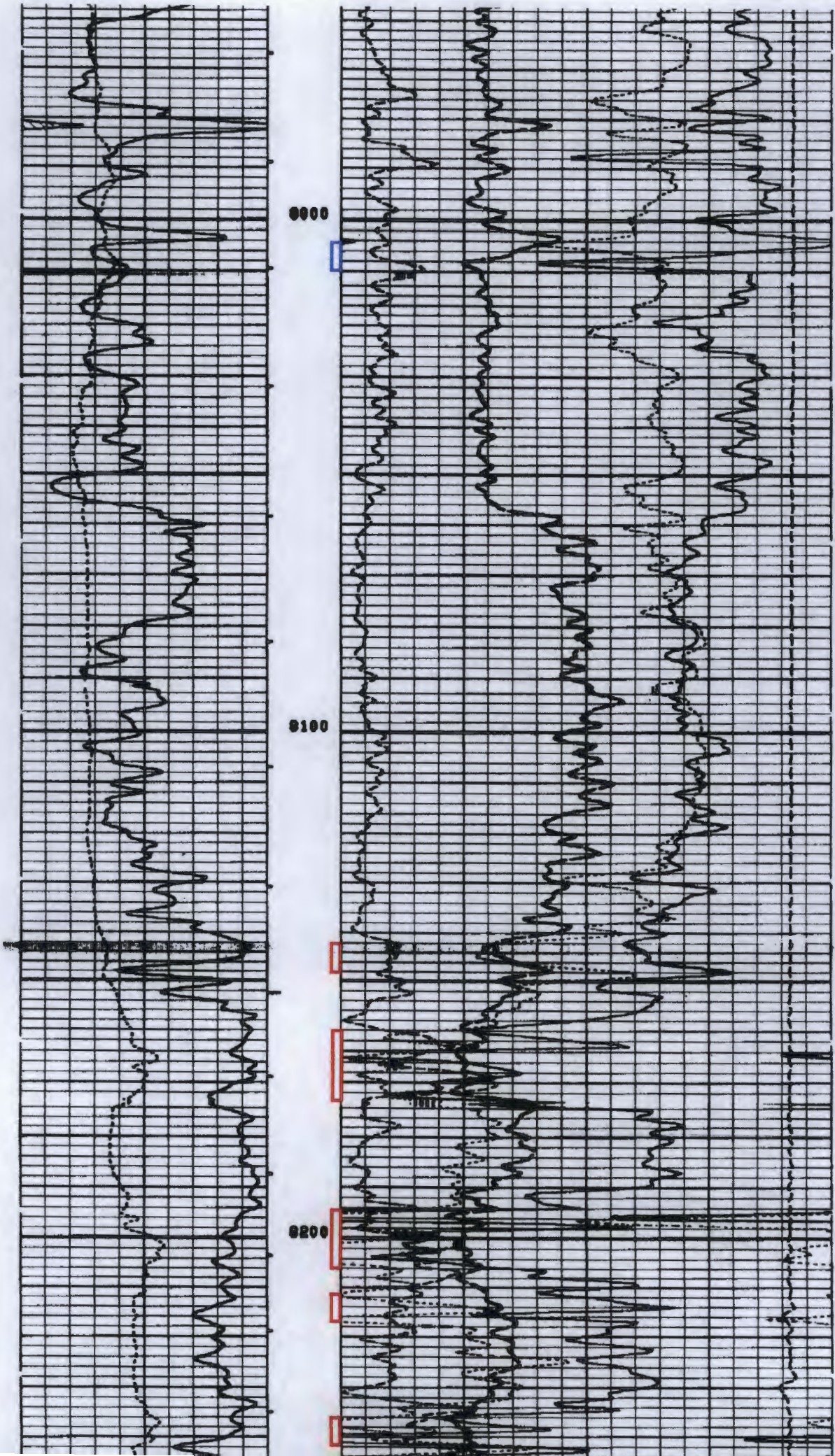


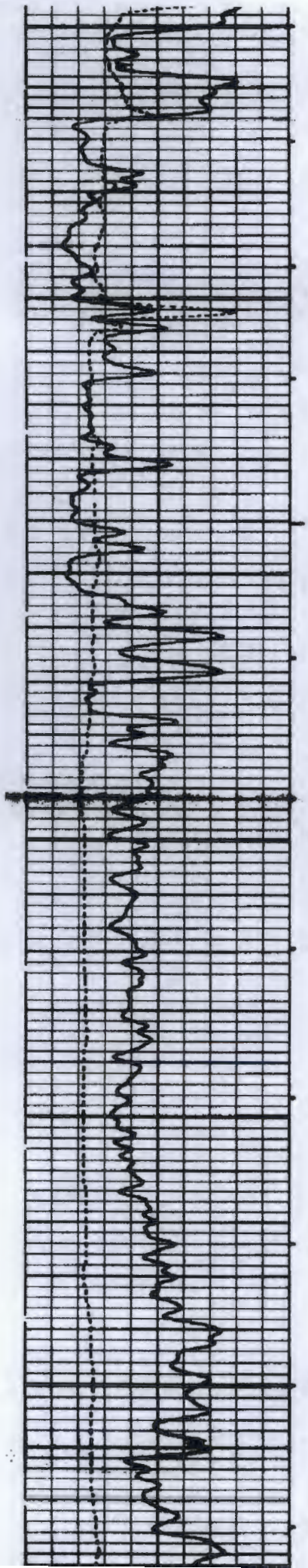
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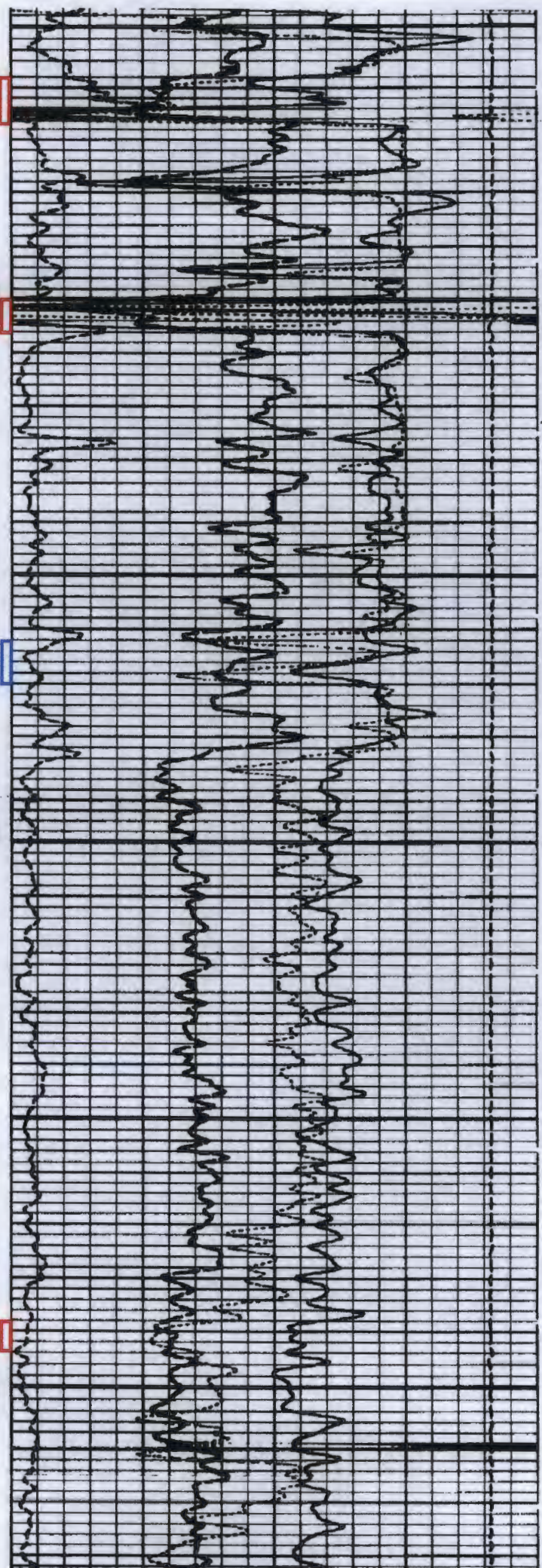


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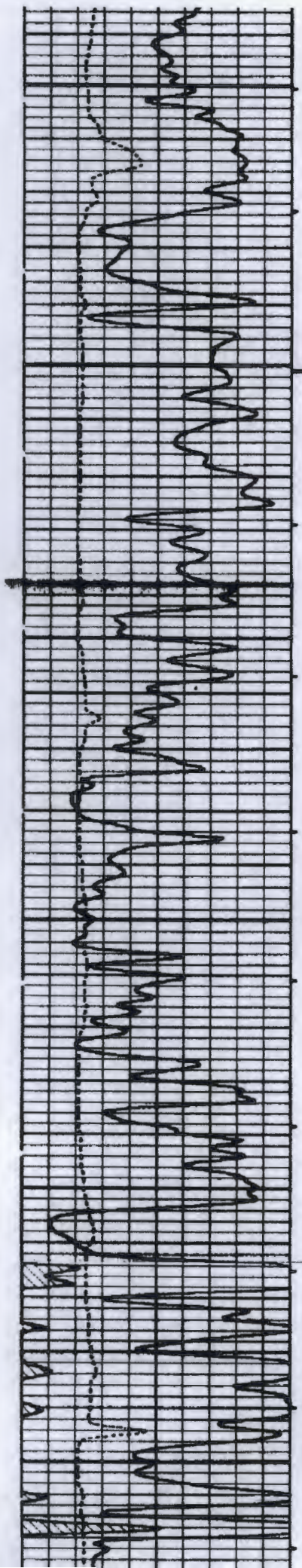


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0400

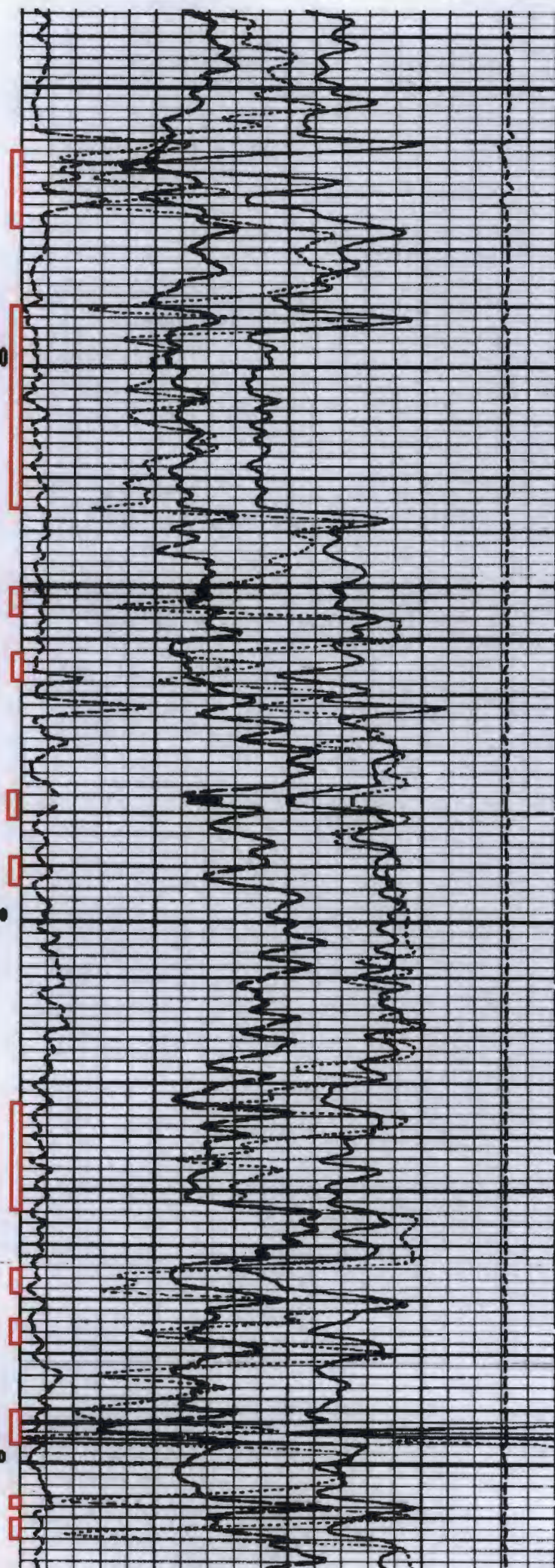
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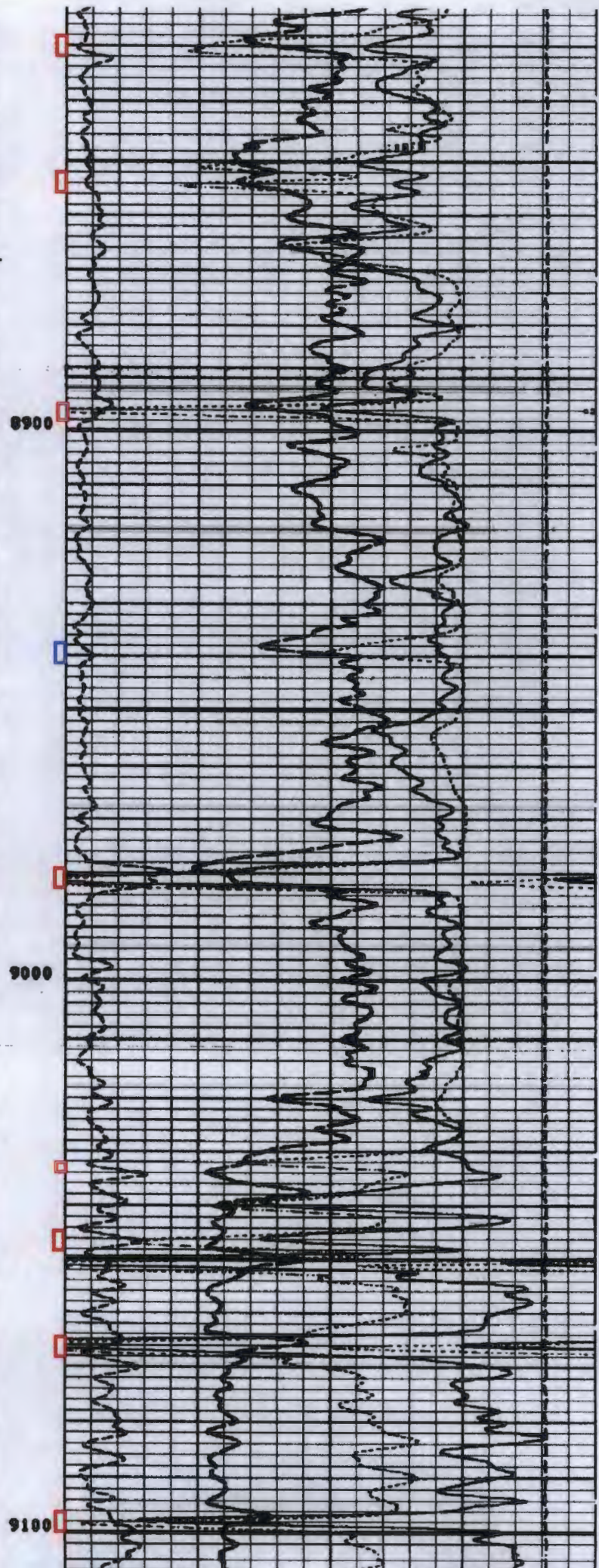
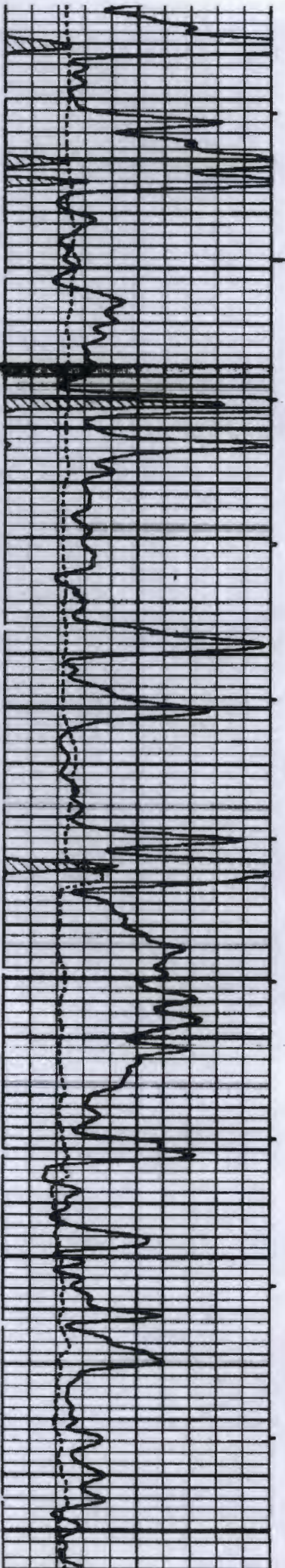


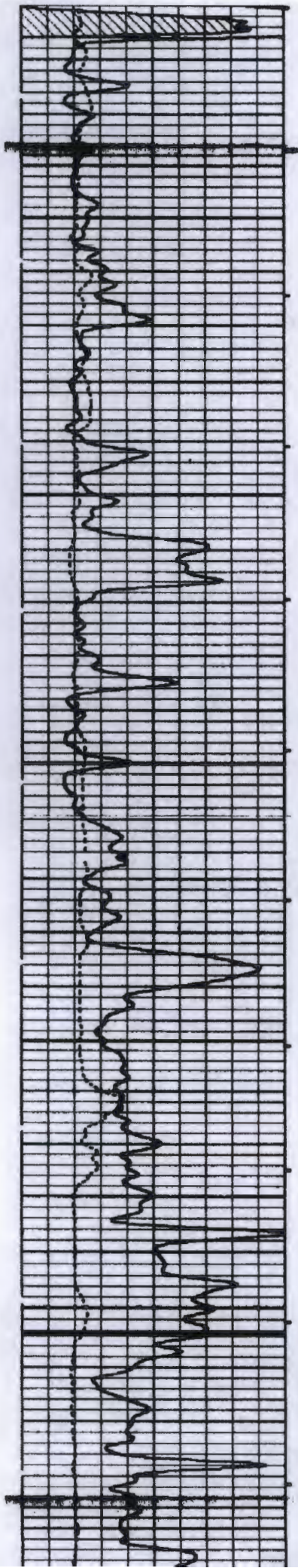
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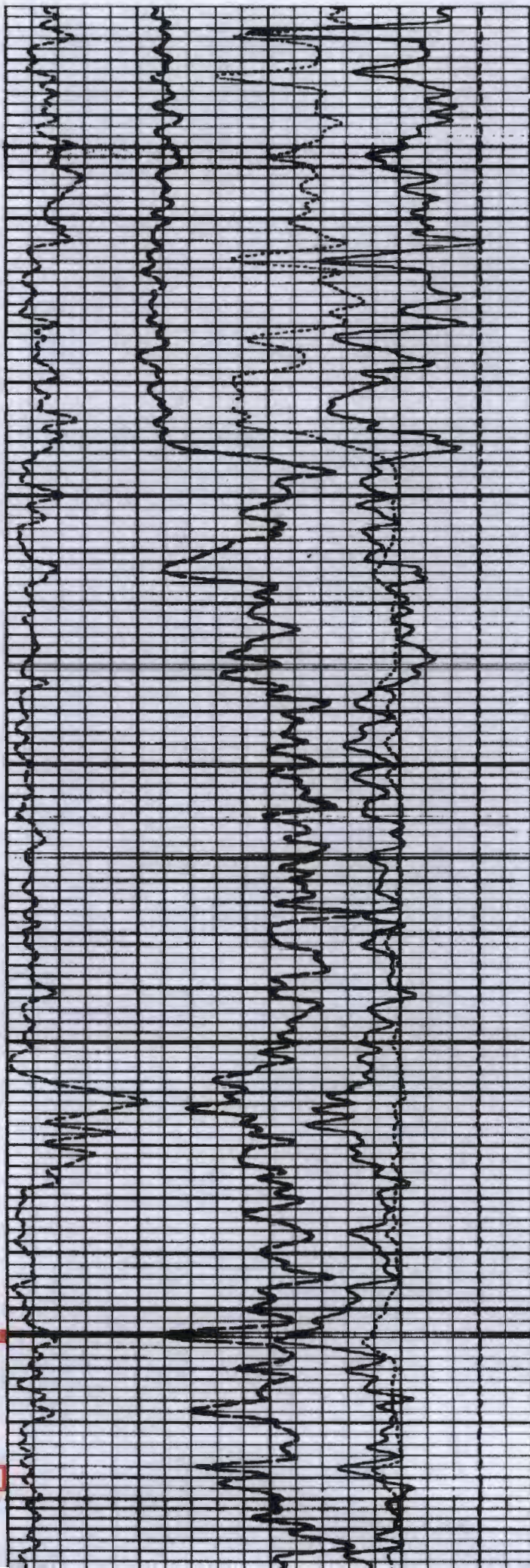


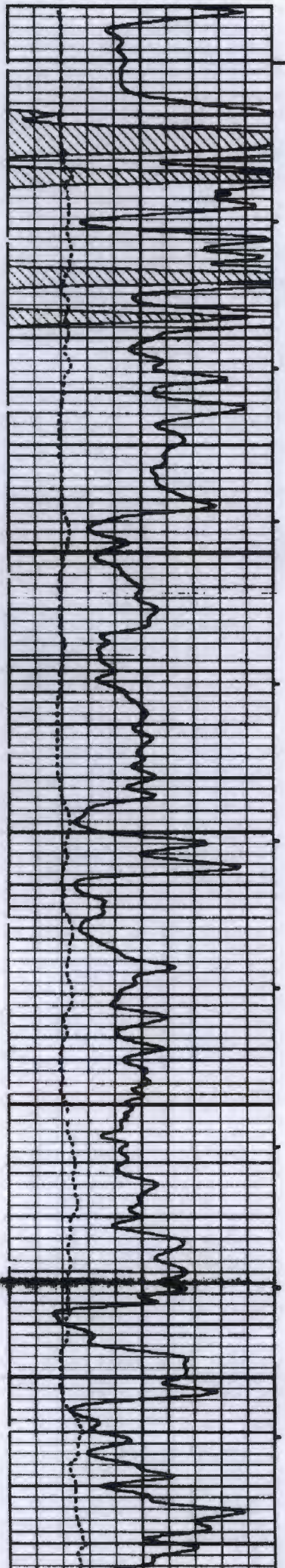




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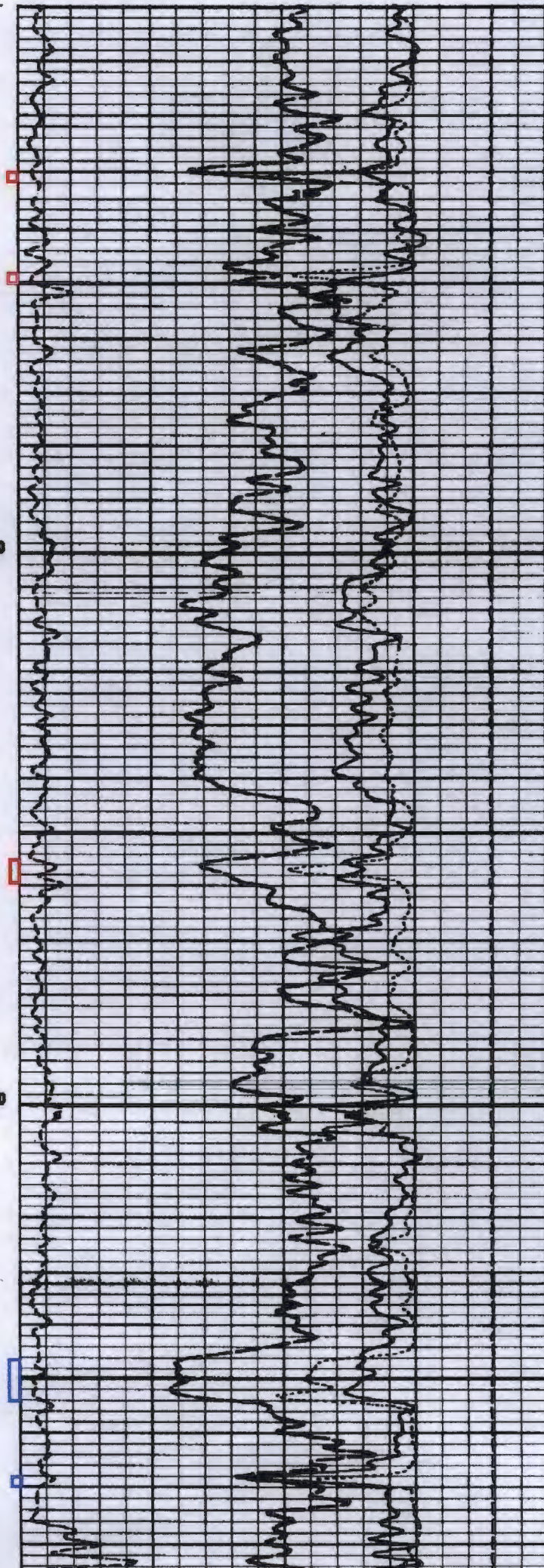
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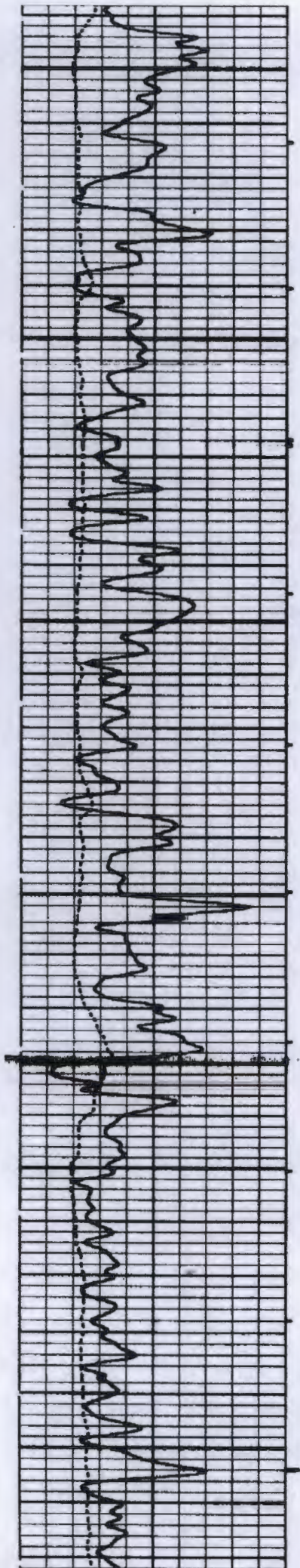




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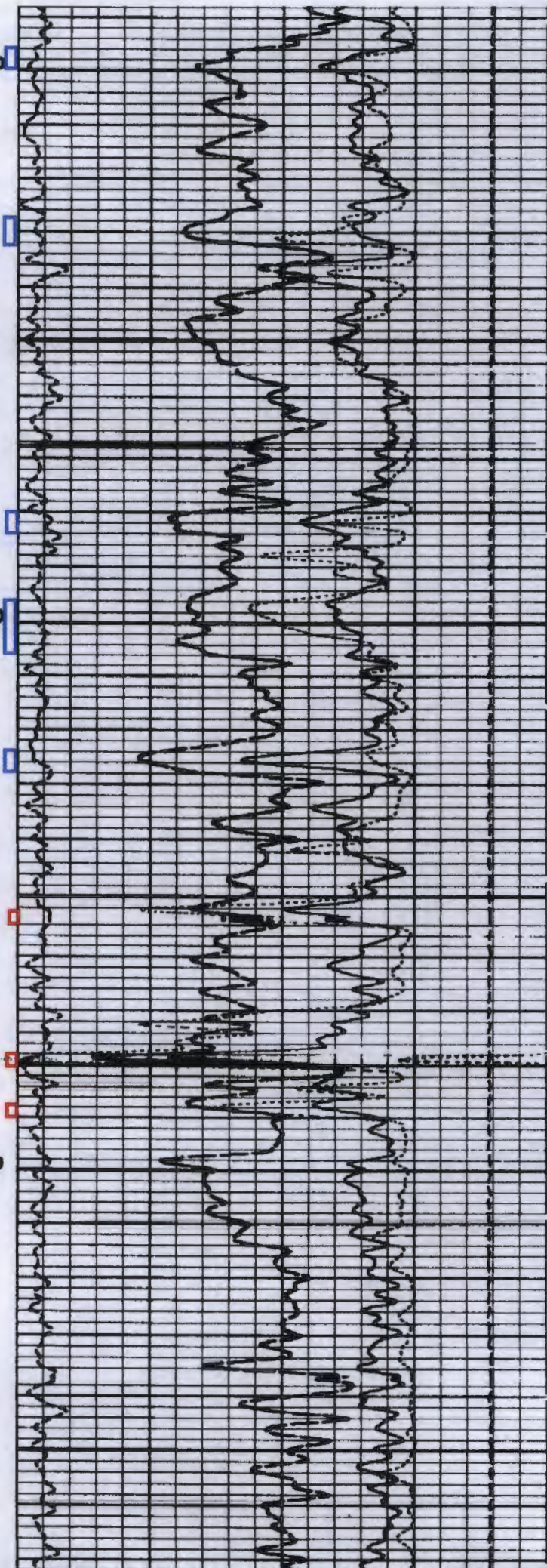


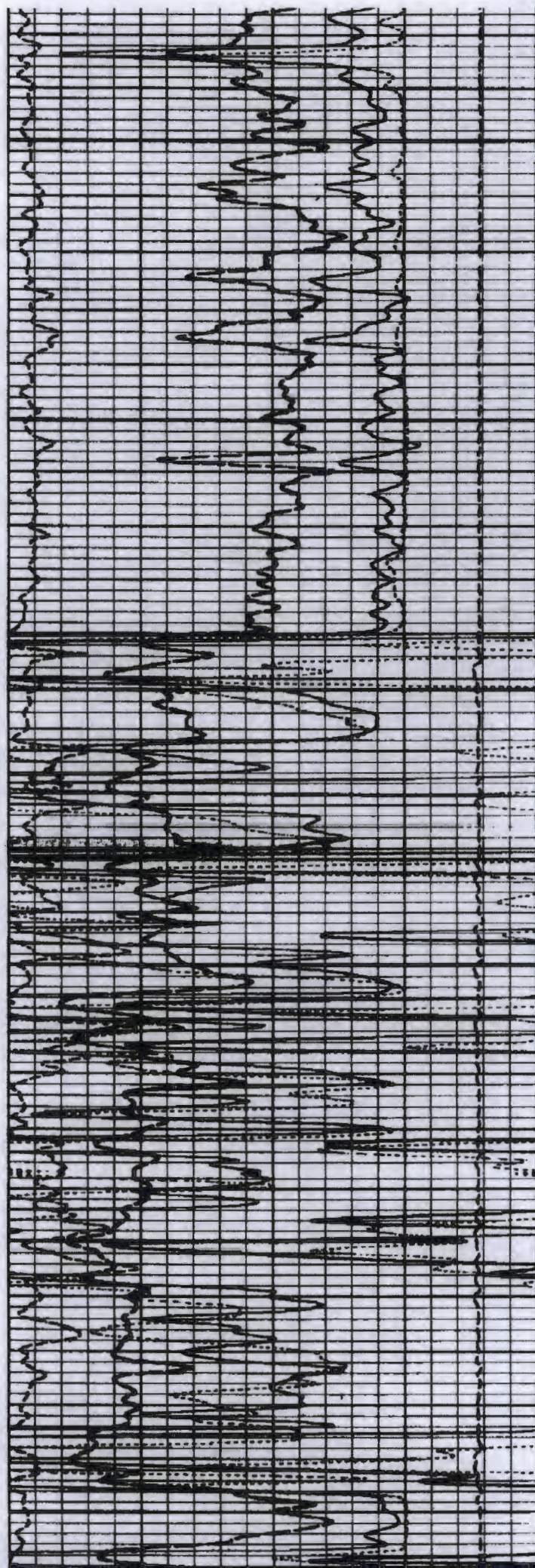
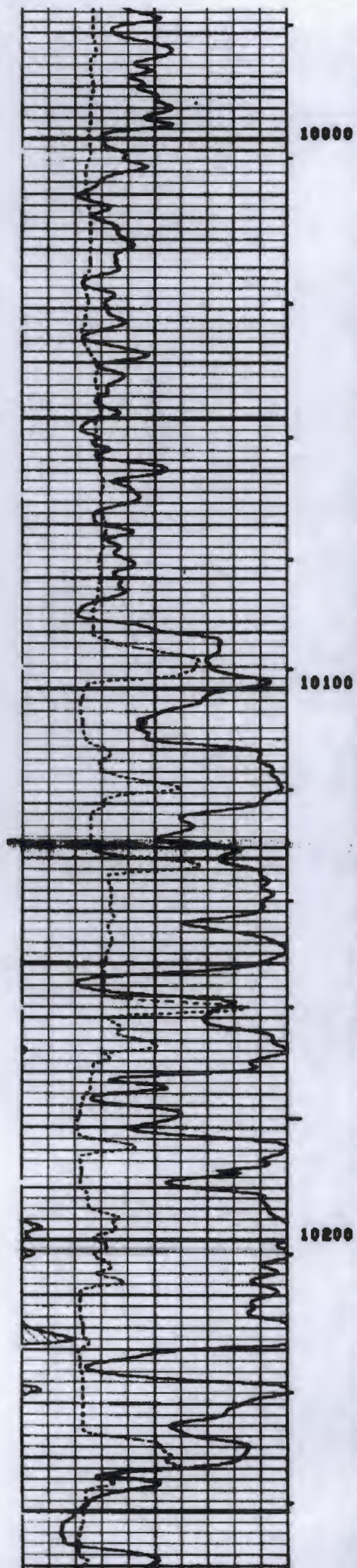


9700

9800

9900





OCD EXAMINER POOL MAP

Created for Previous SWD Application Processing in Same Area - Two Forks No.2 - SWD-1452

Two Forks State #2

30-015-2505

Ray Westal / SWD Appl.

County, Andrews Eddy

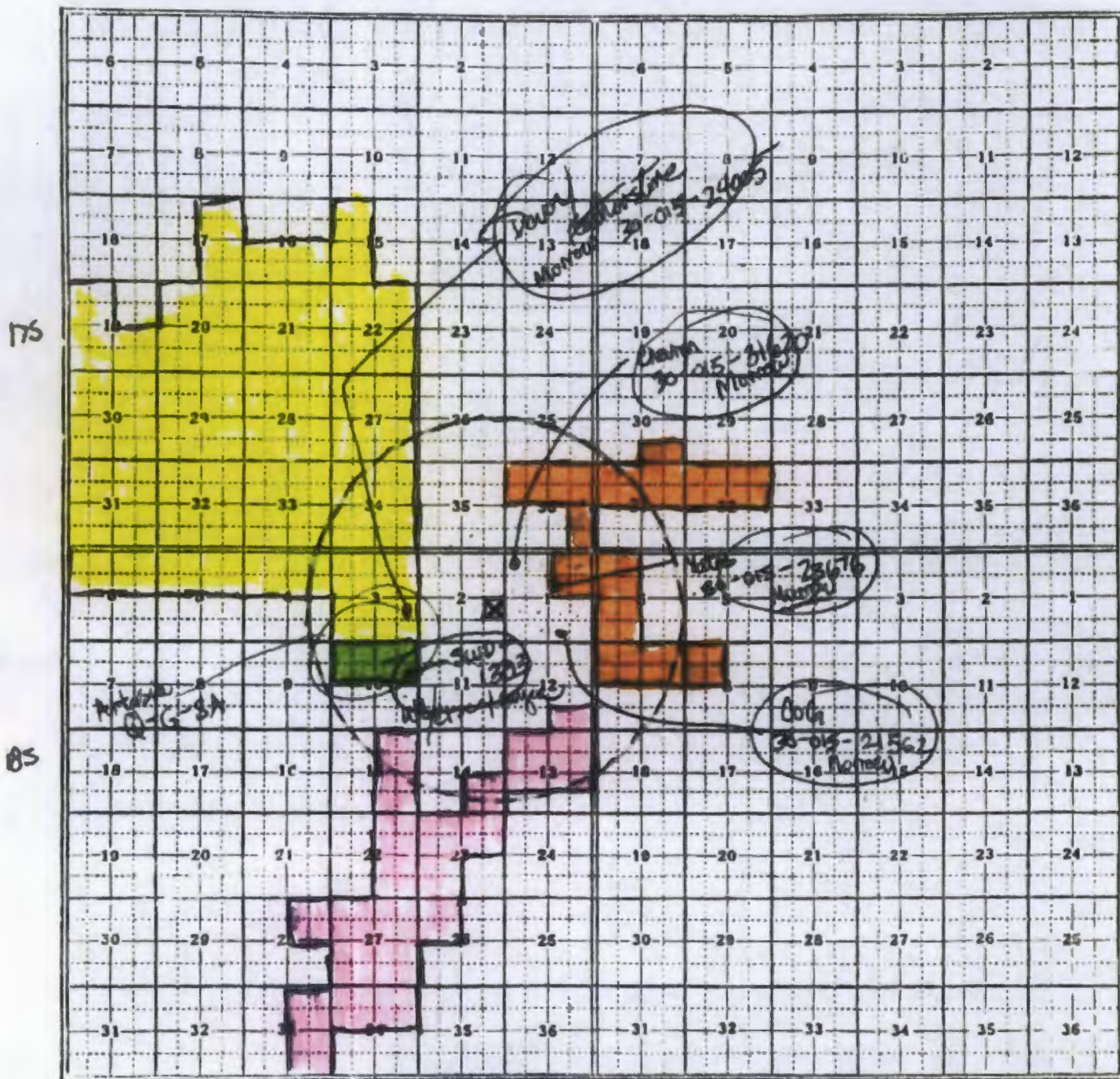
Township 17S Range 28E

Township 17S Range 29E

Township 18S Range 28E

Township 18S Range 29E

Form 104 - (Four on Township)



28E Internals Wolfcamp ●

Cisco ●

Canyon

Strawn ●

29E WC: Empire, South

Cisco: Illinois Camp/Gas

Upper Penn - Travis ●

Strawn/Atoka/Morrow - Gas

C-108 ITEM VII – PROPOSED OPERATION

The Two Forks Well 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 Canyon and other proposed formation waters.)

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

Injection pressure will be 1420 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.

C-108 ITEM VIII – GEOLOGIC INFORMATION

The Wolfcamp formation is a mixed lithology system of light gray-brown, fine to medium crystalline fossiliferous limestone with inter-crystalline vugular porosity including considerable dolomite of medium to fine grains and minor sandstone 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 formation thickness varies from about 400 to 500 feet of shales.

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 [Pennsylvanian] Canyon formation consists of similarly medium-grained carbonates, primarily dolomite and porous and permeable sandstone interbedded with shale and is generally 150 to 200 feet in thickness.

There is potential sources of drinking water in the overlying sands occurring at a depth from surface of up to 250 feet. State Engineer's records indicated 2 water wells located within 1 mile of the proposed well, outside the ½ mile AOR (shown on AOR map). The Section 2 well could not be located by foot search for a previous SWD and an affidavit to that effect is included. A water analysis is being obtained on the Section 35 well and will be forwarded to OCD. The upper part of the section on average consists of 200 ft of Holocene alluvial deposits of caliche, sand, gravel, and clay. Included in this interval are red sandstone and shale of the Chinle formation and Santa Rosa sandstone and similar deposits of the Dewey Lake formation. These formations are underlain by the Rustler and Salado formations.

There are no known sources of water <10,000 mg/l TDS which underlie the injection zones.

C-108 - Item VII.5

Water Analysis - Source Water - SAN ANDRES

B J Services Water Analysis

Artesia District Laboratory
(805)-748-3140

Date: 6-Nov-00 Test #:
Company: SDK Resources Well #:
Lease: Chalk Federal #2 County: El Paso
State: N.M. Formation: San Andres
Depth: 2800 Source:

pH: 8.1
Specific Gravity: 1.12

Temp (F): 88.3

CATIONS

	mg/L	mmol	ppm
Sodium (calc.)	64802	2370.7	64802
Calcium	3288	180.1	3284
Magnesium	1458	120.0	1382
Berium	< 25	---	---
Potassium	< 10	---	---
Iron	3	0.1	2

ANIONS

	mg/L	mmol	ppm
Chloride	63008	2823.4	63038
Sulfate	1071	22.3	957
Carbonate	< 1	---	---
Bicarbonate	878	14.4	784

Total Dissolved Solids(ppm) 164120 137807

Total Hardness as CaCO3 14014 280.0 12513

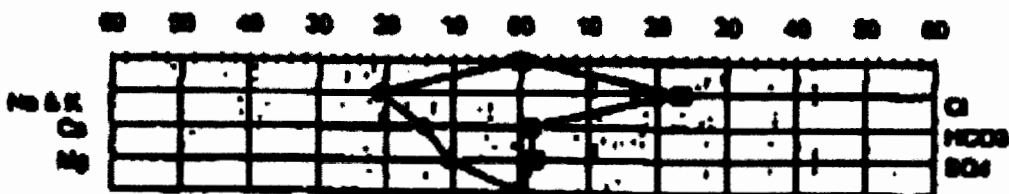
COMMENTS:

Rw = 0.0847 @ 51.1 deg.

SCALE ANALYSIS:

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

SDR Plot



C-108 - Item VII.5

Water Analysis - Source Water - DELAWARE



Water Analysis

Date: 11-Jan-05

2708 West County Road, Hobbs NM 88240

Phone (505) 392-5556 Fax (505) 392-7387

Analyzed For

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

Sample Source	Sample	Sample #	1
Formation		Depth	
Specific Gravity	1.186	SG @ 60 °F	1.186
pH	8.98	Sulfides	Absent
Temperature (°F)	65	Reducing Agents	

Cations

Sodium (Calc)	In Mg/L	73,985	In PPM	91,880
Calcium	In Mg/L	34,800	In PPM	28,438
Magnesium	In Mg/L	5,040	In PPM	4,214
Soluble Iron (FE2)	In Mg/L	88.8	In PPM	43

Anions

Chlorides	In Mg/L	188,880	In PPM	187,181
Sulfates	In Mg/L	850	In PPM	488
Bicarbonates	In Mg/L	78	In PPM	66
Total Hardness (as CaCO3)	In Mg/L	189,808	In PPM	88,629
Total Dissolved Solids (Calc)	In Mg/L	291,763	In PPM	282,288
Equivalent NaCl Concentration	In Mg/L	284,733	In PPM	212,988

Scaling Tendencies

*Calcium Carbonate Index 2,884,728

Below 800,000 Remote / 800,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 18,708,888

Below 800,000 Remote / 800,000 - 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@631

C-108 - Item VII.5

Water Analysis - Source Water - MORROW



HALLIBURTON

CENTRAL OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBBS, NEW MEXICO

COMPANY Morco

REPORT W02-128
DATE June 18, 2002
DISTRICT Hobbs

SUBMITTED BY Jim Trelo

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

SAMPLE Morrow Prod. Water

Sample Temp.	<u>84</u>	°F	_____	°F	_____	°F	_____	°F
RESISTIVITY	<u>0.13</u>		_____		_____		_____	
SPECIFIC GR.	<u>1.020</u>		_____		_____		_____	
pH	<u>6.35</u>		_____		_____		_____	
CALCIUM	<u>4.500</u>	mg/L	_____	mg/L	_____	mg/L	_____	mg/L
MAGNESIUM	<u>0.500</u>	mg/L	_____	mg/L	_____	mg/L	_____	mg/L
CHLORIDE	<u>54.000</u>	mg/L	_____	mg/L	_____	mg/L	_____	mg/L
SULFATES	<u>0.00</u>	mg/L	_____	mg/L	_____	mg/L	_____	mg/L
SILICATES	<u>10</u>	mg/L	_____	mg/L	_____	mg/L	_____	mg/L
SOLUBLE IRON	<u>0</u>	mg/L	_____	mg/L	_____	mg/L	_____	mg/L
Sodium	_____	mg/L	<u>0</u>	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	<u>0</u>	mg/L
OIL GRAVITY	<u>0</u>	°API	<u>0</u>	°API	<u>0</u>	°API	<u>0</u>	°API

REMARKS _____

MP/L = Milligrams per Liter
Resistivity measured in: Ohm-cm

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 obtaining 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 Anderson

C-108 - Item VII.5

Water Analysis - Disposal Zone



Water Analysis

Date: 2/24/2005

2401 S.W. Hwy. Artesia NM 88210

Phone (505) 746-3100 Fax (505) 746-2293

Analyzed For

Well	State	City	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

9,518

in PPM

9,096

Calcium

in Mg/L

5,000

in PPM

5,320

Magnesium

in Mg/L

248

in PPM

228

Soluble Iron (FE2)

in Mg/L

300.0

in PPM

285

Anions

Chlorides

in Mg/L

24,800

in PPM

22,835

Sulfates

in Mg/L

2,000

in PPM

1,903

Bicarbonates

in Mg/L

185

in PPM

178

Total Hardness (as CaCO3)

in Mg/L

15,000

in PPM

14,272

Total Dissolved Solids (Calc)

in Mg/L

41,844

in PPM

38,813

Equivalent NaCl Concentration

in Mg/L

38,410

in PPM

36,348

Scaling Tendencies

*Calcium Carbonate Index

1,038,484

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

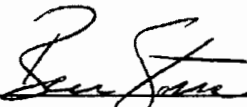
*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks

FAX 677-2361

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.



Ben Stone, Partner
SOS Consulting, LLC

Project: Ray Westall Operating, Inc.
Two Forks Well No.1
Reviewed 2/20/2014

C-108 - Item XI

Water Wells Within One Mile

AFFIRMATIVE STATEMENT

State Engineer's records indicate there are two water wells within the area of review. (Both locations are shown on the AOR map.) The well in Section 35 is being sampled and analyzed and results will be forwarded to OCD upon receipt.

The water well indicated to be located in the NW/NW/SW of Section 2, could not be found.

On September 12, 2013, Mr. Mathews conducted a foot search of the QTR/QTR section and found no evidence of an operating or a plugged water well. During the search, a contract pumper was seen in the area. Mr. Mathews was able to communicate with the pumper who stated to Mr. Mathews that he has been working the area for years and has no knowledge of a water well in the area. They again looked to area over as indicated on the map and determined that if the well had existed, it must have been plugged out and there is no indication at surface that would confirm its existence.

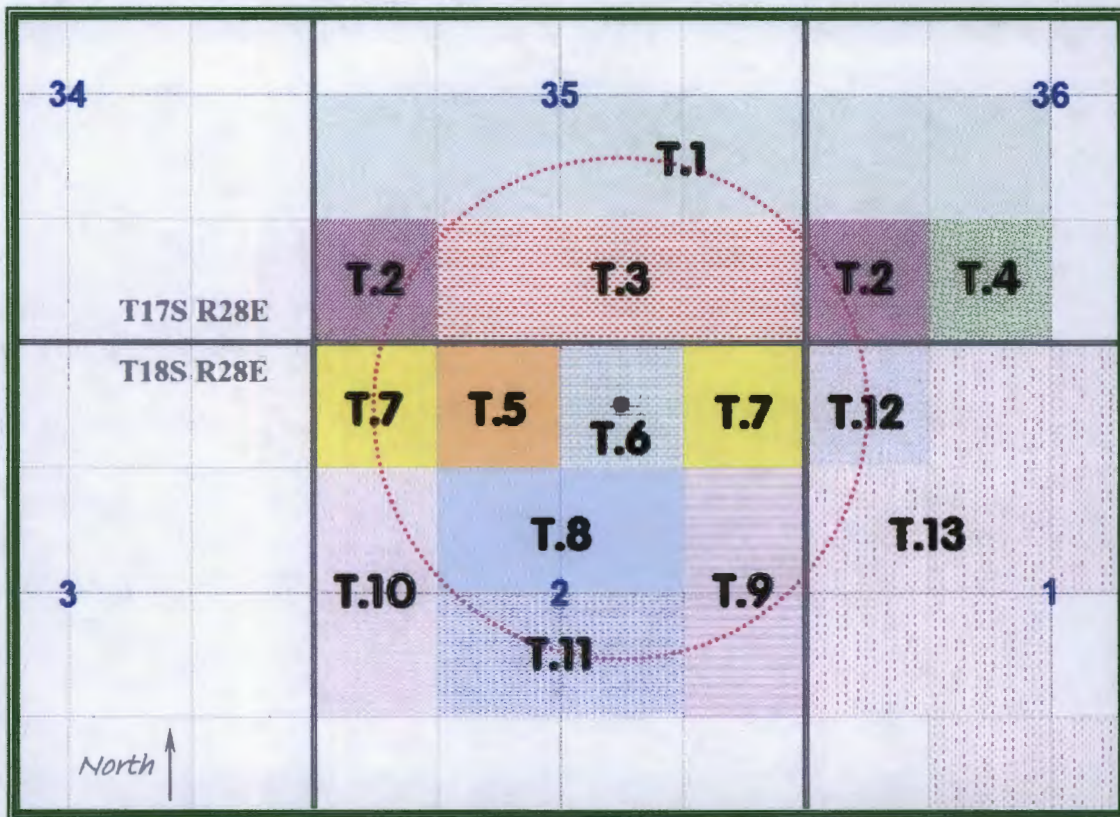
This information was relayed to me by Mr. Mathews via a telephone conversation on 9/14/2013.


Ben Stone

New Mexico Office of the State Engineer									
Active & Inactive Points of Diversion									
(with Ownership Information)									
<p>(R=POD has been replaced and no longer serves this file. C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)</p>									
<p>(acre ft per annum)</p>									
WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source
64164	64164	DOM	3	GERALD P. SIMPSON,	LE	175	28E	579195	3626784'
<p>Record Count: 1</p>									
<p>PLSS Search:</p>									
<p>Section(s): 1, 2, 11, 12 Township: 18S Range: 28E</p>									
<p>Sorted by: File Number</p>									
<p><i>wrongy basin</i></p>									
<p><i>Copy to South</i></p>									
<p>Water Well in Section 35 – Sample and Analysis in Process</p>									
<p>(R=POD has been replaced and no longer serves this file. C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)</p>									
<p>(acre ft per annum)</p>									
WR File Nbr	Sub basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source
RA 175	RA 175	STK	1.61	BOGLE FARMS	ED	RA 175	28E	580472	3628330'
<p>Record Count: 1</p>									
<p>PLSS Search:</p>									
<p>Section(s): 35, 36 Township: 17S Range: 28E</p>									
<p>Sorted by: File Number</p>									
<p><i>Declaration for water rights</i></p>									
<p><i>1.61 ac ft diversion</i></p>									
<p><i>little priority</i></p>									
<p>*UTM location was derived from PLSS - see Help</p>									
<p>The data is furnished by the NMOS/ASC 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.</p>									
<p>9/12/13 3:07 PM</p>									
<p>Page 1 of 1</p>									
<p>ACTIVE & INACTIVE POINTS OF DIVERSION</p>									

Two Forks Well No.1 - Leasehold Plat

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



RAY WESTALL OPERATING, INC.

LEGEND

- T.1 - X0-0647-0405 - Khody Land & Minerals Company
- T.2 - E0-0949-0001 - BP America Production Company
- T.3 - B0-4456-0012 - DeKalb Energy Company
- T.4 - B1-1593-0013 - ZPZ Delaware
- T.5 - E0-6946-0003 - Jerry Curtis & Ralph Nix
- T.6 - B0-8814-0025 - Marathon Oil Company & SDX Resources
- T.7 - E0-1285-0011 - Hanson-McBride Petroleum Company
- T.8 - E0-1285-0001 - W.E. Jeffers
- T.9 - E0-1285-0012 - Olen F. Featherstone II
- T.10 - E0-1285-0008 - DeKalb Energy Company
- T.11 - B0-7071-0004 - W.E. Jeffers
- T.12 - L0-1645-0005 - CBS Partners, Ltd.
- T.13 - E0-1284-0003 - Harvey E. Yates 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 X0-0647-0405

Lessee

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

Operator

- 2 APACHE CORPORATION
303 Verteran's Airpark Lane
Midland, TX 79701

State Lease E0-0949-0001

Lessee

- 3 BP AMERICA PRODUCTION COMPANY
501 Westlake Park Blvd.
Houston, TX 77079

Operator

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

State Lease B0-4456-0012

Lessee

- 5 DEKALB ENERGY COMPANY
1625 Broadway
Denver, CO 80202

Operator(s)

- QUANTUM RESOURCES MANAGEMENT, LLC
1401 McKinney St., Suite 2400
Houston, TX 77010
- 6 ASPEN OIL INC.
P.O. Box 2674
Hobbs, NM 88241

State Lease B1-1593-0013

Lessee

- 7 ZPZ DELAWARE I, LLC
2000 Post Oak Blvd., Ste. 100
Houston, TX 77056-4497

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

Operator

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

State Lease E0-6946-0003

Lessee

- 8 JERRY CURTIS & RALPH NIX
P.O. Box 617
Artesia, NM 88210

Operator

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

State Lease B0-8814-0025

Lessee

- 9 MARATHON OIL COMPANY & SDX RESOURCES MGT, LLC
P.O. Box 22164
Tulsa, OK 74121-2164

Operator

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

State Lease E0-1285-0011

Lessee

- 10 HANSON-McBRIDE OIL COMPANY
P.O. Box 1515
Roswell, NM 88201

Operator(s)

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

- 11 MELROSE OPERATING COMPANY
1601 Elm St., Ste. 4600
Dallas, TX 75201

State Lease E0-1285-0001

Lessee

- 12 W.E. JEFFERS
P.O. Box 1473
Artesia, NM 88211-1473

Operator

- 13 ALAMO PERMIAN RESOURCES, LLC
415 W. Wall Street, Suite 500
Midland, TX 79701

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

State Lease E0-1285-0012

Lessee

14 OLEN F. FEATHERSTONE II
1717 W. Second St.
Roswell, NM 88202

Operator

RAY WESTALL OPERATING, INC. (Applicant)
P.O. Box 4
Loco Hills, NM 88255

State Lease E0-1285-0008

Lessee

DEKALB ENERGY COMPANY
1625 Broadway
Denver, CO 80202

Operator

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

State Lease B0-7071-0004

Lessee

W.E. JEFFERS
P.O. Box 1473
Artesia, NM 88211-1473

Operator

ALAMO PERMIAN RESOURCES, LLC
415 W. Wall Street, Suite 500
Midland, TX 79701

State Lease L0-1645-0005

Lessee

15 CBS PARTNERS, LTD
P. O. Box 2236
Midland, TX 79702-2236

State Lease E0-1284-0003

Lessee

16 HARVEY E. YATES COMPANY
Attn: Jen Atkinson
P.O. Box 1933
Roswell, NM 88202

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

- 17 ***Operator***
CHEVRON USA, INC.
Attn: Sandy Stedman-Daniel
P.O. Box 2100
Houston, TX 77252

OFFSET SURFACE & MINERAL OWNER

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

ADDITIONAL NOTICE PROVIDED

- 19 COG OPERATING, LLC
Attn: Jim Bob Burnett
2208 W. Main St.
Artesia, NM 88210

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



March 17, 2014

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 convert for salt water disposal its Two Forks State 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 2, Township 18 South, Range 28 East in Eddy County, New Mexico.

The published notice states that the bottom of the interval will be no deeper than 10,060 feet. The uppermost top of the interval will be 7100 feet.

Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on February 23, 2014.

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 permit for salt water disposal in its Two Forks State Well No.1. The well, API No.30-015-24655 is located 660 FNL & 2090 FEL in Section 2, Township 18 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp, Cisco and Strawn formations through perforations between a maximum applied for top of 7100 feet to maximum depth of 10060 feet. Specific perforated intervals will be determined later. (Further consideration may result in a shallower maximum depth of 9654 feet.) Maximum injection pressure will be 1420 psi with 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. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or email SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you and may also be sent via email if preferred.

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

Proof of Notice (Certified Mail Receipts)

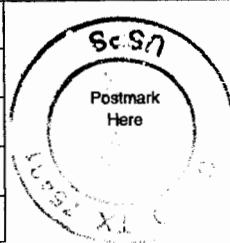
7012 2210 0002 0335 7010

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Total Postage & Fees	\$ 6.49



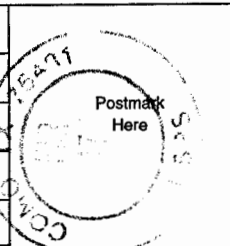
Sent To
Street, Apt.
or PO Box
City, State

KHODY LAND & MINERAL COMPANY
3817 NW Expressway, Suite 950
Oklahoma City, OK 73112

PS Form 3800, April 2008

OFFICIAL USE

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49



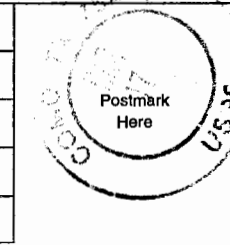
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Street, Apt.
or PO Box
City, State

BP AMERICA PRODUCTION CO.
501 Westlake Park Blvd.
Houston, TX 77079

PS Form 3800, April 2008

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49



Sent To
Street, Apt.
or PO Box
City, State

DEKALB ENERGY COMPANY
1625 Broadway
Denver, CO 80202

PS Form 3800, April 2008

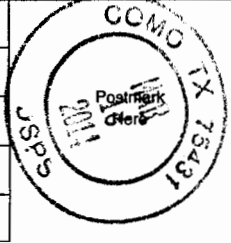
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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49



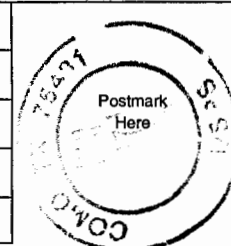
Sent To
Street, Apt.
or PO Box
City, State

APACHE CORPORATION
303 Verteran's Airpark Lane
Midland, TX 79701

PS Form 3800, April 2008

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49



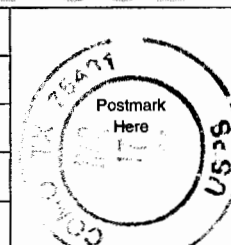
Sent To
Street, Apt.
or PO Box
City, State

QUANTUM RCS MANAGEMENT, LLC
1401 McKinney St., Suite 2400
Houston, TX 77010

PS Form 3800, April 2008

OFFICIAL USE

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.49



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or PO Box
City, State

ASPEN OIL INC.
P.O. Box 2674
Hobbs, NM 88241

PS Form 3800, April 2008

C-108 - Item XIV

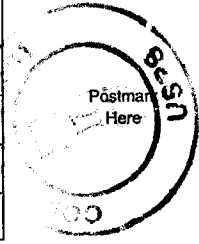
Proof of Notice (Certified Mail Receipts – cont.)

7012 2210 0002 0335 6969

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 649	

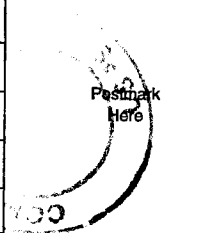
Sent To

Street, Apt. or PO Box
City, State, ZIP+4®

ZPZ DELAWARE I, LLC
2000 Post Oak Blvd., Ste. 100
Houston, TX 77056-4497

PS Form 3849, June 2009 (Instructions)

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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 649	

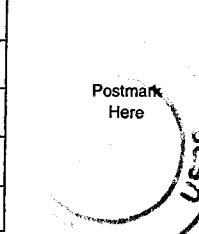
Sent To

Street, Apt. or PO Box
City, State, ZIP+4®

MARATHON OIL COMPANY & SDX
RESOURCES MGT, LLC
P.O. Box 22164
Tulsa, OK 74121-2164

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OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 649	

Sent To

Street, Apt. or PO Box
City, State, ZIP+4®

MELROSE OPERATING COMPANY
1601 Elm St., Ste. 4600
Dallas, TX 75201

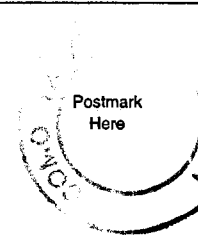
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Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 649	

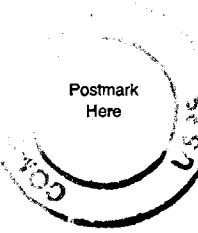
Sent To

Street, Apt. or PO Box
City, State, ZIP+4®

JERRY CURTIS & RALPH NIX
P.O. Box 617
Artesia, NM 88210

PS Form 3849, June 2009 (Instructions)

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 649	

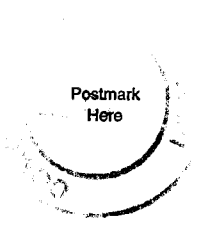
Sent To

Street, Apt. or PO Box
City, State, ZIP+4®

HANSON-McBRIDE OIL COMPANY
P.O. Box 1515
Roswell, NM 88201

PS Form 3849, June 2009 (Instructions)

OFFICIAL USE

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 649	

Sent To

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City, State, ZIP+4®

W.E. JEFFERS
P.O. Box 1473
Artesia, NM 88211-1473

PS Form 3849, June 2009 (Instructions)

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts – cont.)

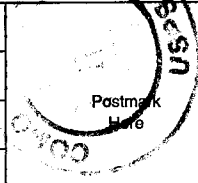
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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649



Sent To

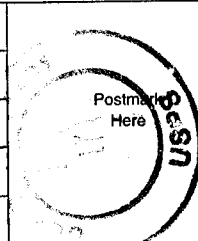
Street, Apt. or PO Box
 City, State,

ALAMO PERMIAN RESOURCES, LLC
 415 W. Wall Street, Suite 500
 Midland, TX 79701

PS Form 3800, October 2003

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649



Sent To

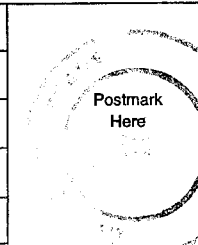
Street, Apt. or PO Box
 City, State,

CBS PARTNERS, LTD
 P. O. Box 2236
 Midland, TX 79702-2236

PS Form 3800, October 2003

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649



Sent To

Street, Apt. or PO Box
 City, State,

CHEVRON USA, INC.
 Attn: Sandy Stedman-Daniel
 P.O. Box 2100
 Houston, TX 77252

PS Form 3800, October 2003

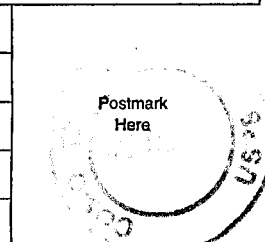
7012 2210 0002 0335 6884

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649



Sent To

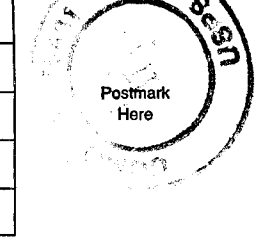
Street, Apt. or PO Box
 City, State,

OLEN F. FEATHERSTONE II
 1717 W. Second St.
 Roswell, NM 88202

PS Form 3800, October 2003

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649



Sent To

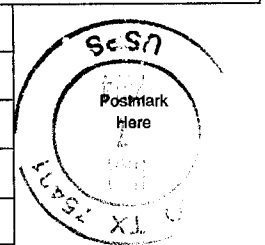
Street, Apt. or PO Box
 City, State,

HARVEY E. YATES COMPANY
 Attn: Jen Atkinson
 P.O. Box 1933
 Roswell, NM 88202

PS Form 3800, October 2003

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 649



Sent To

Street, Apt. or PO Box
 City, State,

COG OPERATING, LLC
 Attn: Jim Bob Burnett
 2208 W. Main St.
 Artesia, NM 88210

PS Form 3800, October 2003

Affidavit of Publication

No. 22874

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/day on the same

day as follows:

First Publication February 23, 2014

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn before me this

24th day of February 2014



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

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 permit for salt water disposal in its Two Forks State Well No.1. The well, API No.30-015-24655 is located 680 FNL & 2090 FEL in Section 2, Township 18 South, Range 28 East in Eddy County, New Mexico. Produced water from area production will be commercially disposed into the Wolfcamp, Cisco and Strawn formations through perforations between a maximum applied for top of 7100 feet to maximum depth of 10060 feet. Specific perforated intervals will be determined later. (Further consideration may result in a shallower maximum depth of 9654 feet.) Maximum injection pressure will be 1420 psi with 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.

Published in the Artesia Daily Press, Artesia, N.M., Feb. 23, 2014 Legal No 22874.



C-108 Review Checklist: Received 03/20/14 Add. Request: — Reply Date: — Suspended: — [Ver 13]

PERMIT TYPE: WFX / PMX / SWD Number: 1491 Permit Date: 07/09/14 Legacy Permits/Orders: —
Well No. 1 Well Name(s): Two Forks State Note: SWD-1452/Two Forks State No. 2
Same zones/UL of Sec. 2

API: 30-0 15-24655 Spud Date: 10/24/83 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 6600 FNL / 2090 FNL Lot — or Unit B Sec 2 Tsp 18S Rge 28E County Eddy

General Location: 15 miles east of Artesia / access off of Pool: SWD well camp / Cisco / Canyon Pool No.: Ben Stone / SES
BLM 100K Map: Artesia Operator: Ray Westall Operating Inc. GRID: 119305 Contact: Consulting

COMPLIANCE RULE 5.9: Total Wells: 95 Inactive: 4 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 07/09/14

WELL FILE REVIEWED ☒ Current Status: P&A; 5 1/2 in casing cut at 3815 ft and pulled

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☒ Logs in Imaging: GA/B0/CM /DDL-MSFL

Planned Rehab Work to Well: Re-enter and drill out plugs to CIBP at 10300'; patch 5 1/2 in to surface; cmt

Well Construction Details:

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sx or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface	17 1/2 / 13 3/8	0 to 519	515	Cir to surf
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Intern/Prod	12 1/8 / 5/8	0 to 2899	700+200	Cir to surf
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Intern/Prod	7 1/8 / 5 1/2	0 to 10985	465+600	TS: (4380), casing cut
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Prod/Liner	5 1/2	0 to 3815	~600	Replaced 5 1/2 casing
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner	—	7145	—	and cmt to surface
Planned <input checked="" type="checkbox"/> or Existing <input checked="" type="checkbox"/> OH / PERR	5 1/2	1100 to 10060	7145	—

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	shelf	Units	Drilled TD <u>10985</u> PBDT <u>10923</u>
Confining Unit: Litho. Struc. Por.	+25	Abol Bone Spring	NEW TD <u>NA</u> NEW PBDT <u>#CIBP/TBD</u>
Proposed Inj Interval TOP:	7145	Wolfcamp /	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM:	10060	Cisco / Canyon / Brown	Tubing Size <u>2 3/8</u> in. Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. Por.	+30	Abol	Proposed Packer Depth <u>~7005</u> ft
Adjacent Unit: Litho. Struc. Por.	—	Morrow	Min. Packer Depth <u>7045</u> (100-ft limit)
			Proposed Max. Surface Press. <u>1420</u> psi
			Admin. Inj. Press. <u>(1429)</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P Noticed? NA BLM Sec Ord No WIPP Noticed? NA SALT/SALADO T: — B: — CLIFF HOUSE NA

FRESH WATER: Aquifer Alluvial; possible Santa Rosa Max Depth <200 HYDRO AFFIRM STATEMENT By Qualified Person ☒

NMOSE Basin: Roswell Artesia CAPTAN REEF: thru ☐ adj ☐ NA ☐ No. Wells within 1-Mile Radius? 2 located / one found / but not 100 FW Analysis Pending

Disposal Fluid: Formation Source(s) San Andres / Morrow / Delaware Analysis? Yes On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Int: Inject Rate (Avg/Max BWPD): No rate given Protectable Waters? No Source: Water System: Closed ☐ or Open ☐

HC Potential: Producing Interval? No Formerly Producing? No Method Logs/DST/P&A Other — 2-Mile Radius Pool Map ☒

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 1 Horizontals? 0

Penetrating Wells: No. Active Wells 1 Num Repairs? 0 on which well(s)? — Diagrams? No

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

NOTICE: Newspaper Date 02/23/14 Mineral Owner SLO Surface Owner SLO N. Date 03/17/14
RULE 26.7(A): Identified Tracts? Yes Affected Persons: W E Jeffers / CBS Partners / Marubini / ZPZ Ltd. N. Date 03/17/14

Permit Conditions: Issues: Top of interval in BS; length of injection interval - injection dist; final

Add Permit Cond: Reduced top of interval to 7145; injection survey for operation time; P&A

Inactive Well List

Total Well Count: 95 Inactive Well Count: 4
Printed On: Wednesday, July 09 2014

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-27944	CASA STATE #001	H-28-17S-34E	H	119305	RAY WESTALL OPERATING, INC.	S	O	01/2013			
1	30-025-28115	CASA STATE #002	I-28-17S-34E	I	119305	RAY WESTALL OPERATING, INC.	S	O	01/2013			
2	30-015-29618	EMPIRE A FEDERAL #002	H-27-18S-29E	H	119305	RAY WESTALL OPERATING, INC.	F	S	03/2009	CONV TO SWD SWD-1368		
2	30-015-25245	TEXAS CRUDE #001	J-21-19S-31E	J	119305	RAY WESTALL OPERATING, INC.	F	O	11/2012	PLACED BACK ON PROD 6/25/14		

WHERE Ogrid:119305, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

only 2 inactive

confirmed

Gundry
First Day
06/16/14
1560
PSI

RBDMS - shows
Active