

Initial Application Part I

Received 1/28/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

SWD 1894

JAN 28 2019 PM 02:33

Revised March 23, 2017

| | | | |
|------------------------|-----------|--------------|---------------------------|
| RECEIVED: 1/28/2019 | REVIEWER: | TYPE: SWD | APP NO: DMA19028 59462 |
|------------------------|-----------|--------------|---------------------------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: 3Bear Field Services, LLC _____ **OGRID Number:** 372603 _____
Well Name: Smith Ranch SWD #2 _____ **API:** 30-025-45470 _____
Pool: SWD; Silurian-Devonian _____ **Pool Code:** 97869 _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

| FOR OCD ONLY | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **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.

Ramona Hovey - Agent of 3Bear Field Service

Print or Type Name

Ramona Hovey

Signature

January 24, 2019

Date

(512) 600-1777

Phone Number

ramona@lonquist.com

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: 3Bear Field Service, LLC
ADDRESS: 415 W. Wall St., Suite 1212
CONTACT PARTY: Kevin Burns PHONE: 432-686-2973
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Ramona Hovey TITLE: Consulting Engineer – Agent for 3Bear Field Service
SIGNATURE: Ramona K Hovey DATE: 1/24/2019
E-MAIL ADDRESS: ramona@lonquist.com
- * 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: _____

LONQUIST & CO. LLCPETROLEUM
ENGINEERSENERGY
ADVISORS

AUSTIN · HOUSTON · WICHITA · DENVER · CALGARY

January 24, 2019

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division District IV
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
(505) 476-3440

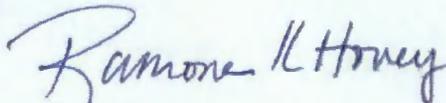
RE: SMITH RANCH SWD NO. 2 AUTHORIZATION TO INJECT

To Whom It May Concern:

Attached for your review is Form C-108, Application for Authorization to Inject, and its supplemental documents prepared for 3Bear Field Service, LLC's (3Bear") Smith Ranch SWD No. 2. In addition, Forms C-101 and C-102 have also been included with this package. Notices have been sent to offset, operators, leaseholders and the surface owner. Proof of notice will be sent to the OCD upon receipt.

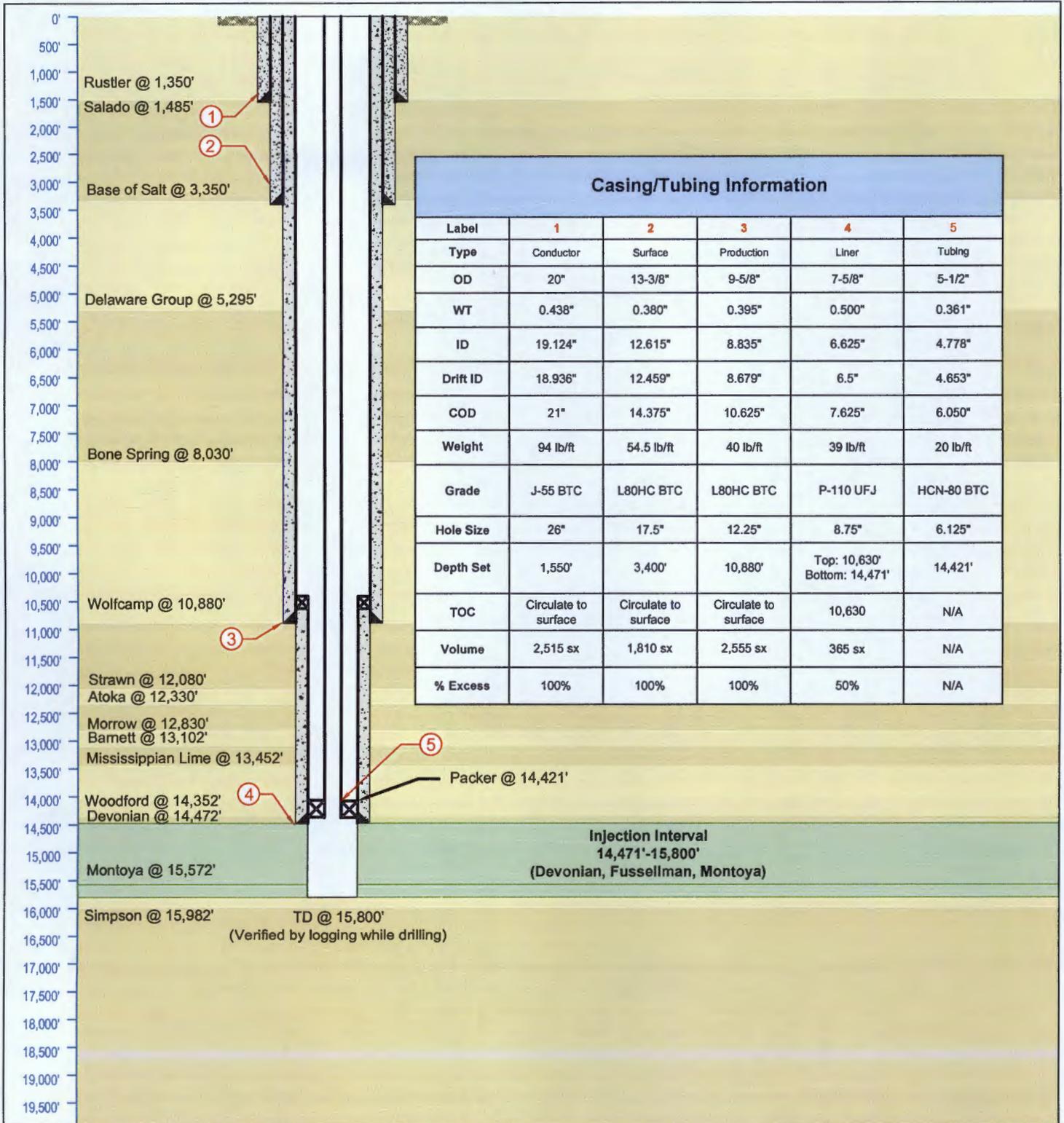
Any questions should be directed towards 3Bear Field Service, LLC's agent Lonquist & Co., LLC.

Regards,



Ramona Hovey
Sr. Petroleum Engineer
Lonquist & Co., LLC

(512) 600-1777
ramona@lonquist.com



| | | | |
|--|----------------------------|------------------------------|--------------------|
| LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS HOUSTON CALGARY AUSTIN WICHITA DENVER | 3Bear Field Services, LLC | Smith Ranch SWD No. 2 | |
| | Country: USA | State/Province: New Mexico | County/Parish: Lea |
| Location: | Site: 1,297 FNL, 1,154 FEL | Survey: S25-T19S-R33E | |
| API No: N/A | Field: | Well Type/Status: SWD | |
| Texas License F-9147 | NMOCD District No: 1 | Project No: | Date: 01/23/2019 |
| 12912 Hill Country Blvd. Ste F-200 Austin, Texas 78738 Tel: 512.732.9812 Fax: 512.732.9816 | Drawn: TFM | Reviewed: | Approved: |
| | Rev No: 1 | Notes: | |



3Bear Field Services, LLC

Smith Ranch SWD No. 2

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

| Well information | |
|------------------|-------------------------|
| Lease Name | Smith Ranch SWD |
| Well No. | 2 |
| Location | S-25 T-19S R-33E |
| Footage Location | 1,297' FNL & 1,154' FEL |

2.

a. Wellbore Description

| Casing Information | | | | |
|--------------------|----------|--------------|------------|-----------------|
| Type | Surface | Intermediate | Production | Liner |
| OD | 20" | 13.375" | 9.625" | 7.625" |
| WT | 0.438" | 0.38" | 0.395" | 0.500" |
| ID | 19.124" | 12.615" | 8.835" | 6.625" |
| Drift ID | 18.936" | 12.459" | 8.679" | 6.500" |
| COD | 21" | 14.375" | 10.625" | 7.625" |
| Weight | 94 lb/ft | 54.5 lb/ft | 40 lb/ft | 39 lb/ft |
| Grade | J-55 BTC | L80HC BTC | L80HC BTC | P-110 UFJ |
| Hole Size | 26" | 17.5" | 12.25" | 8.75" |
| Depth Set | 1,550' | 3,400' | 10,880' | 10,630'-14,471' |

b. Cementing Program

| Cement Information | | | | |
|----------------------------|----------------------|----------------------|----------------------|----------|
| Casing String | Surface | Intermediate | Production | Liner |
| Lead Cement | Class C | Class C | Class H | |
| Lead Cement Volume | 1,620 sks | 1,485 sks | 1,575 sks | |
| Lead Cement Density | 12.2 ppg | 12.7 ppg | 12.7 ppg | |
| Tail Cement | Class C | Class C | Class H | Class H |
| Tail Cement Volume | 895 sks | 655 sks | 980 sks | 365 sks |
| Tail Cement Density | 14.8 ppg | 14.8 ppg | 14.5 ppg | 14.5 ppg |
| Cement Excess | 100% | 100% | 100% | 50% |
| TOC | Surface | Surface | Surface | 10,630' |
| Method | Circulate to Surface | Circulate to Surface | Circulate to Surface | Logged |

3. Tubing Description

| Tubing Information | |
|---------------------------|------------|
| OD | 5.5" |
| WT | 0.361" |
| ID | 4.778" |
| Drift ID | 4.653 |
| COD | 6.050" |
| Weight | 20 lb/ft |
| Grade | HCN-80 BTC |
| Depth Set | 0-14,421' |

Tubing will be lined with Duoline.

4. Packer Description

7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer and Full Inconel 925 trim

B. Completion Information

1. Injection Formation: Devonian, Silurian, Fusselman, Montoya

2. Gross Injection Interval: 14,471'-15,800'

Completion Type: Open Hole

3. Drilled for injection.
4. See the attached wellbore schematic.
5. Oil and Gas Bearing Zones within area of well:

| Formation | Depth |
|-------------|---------|
| Delaware | 5,295' |
| Bone Spring | 8,030' |
| Wolfcamp | 10,880' |
| Strawn | 12,080' |
| Atoka | 12,330' |

VI. Area of Review

No wells within the area of review penetrate the proposed injection zone.

VII. Proposed Operation Data

1. Proposed Daily Rate of Fluids to be Injection:

Average Volume: 20,000 BPD
Maximum Volume: 25,000 BPD

2. Closed System
3. Anticipated Injection Pressure:

Average Injection Pressure: 2,171 PSI (surface pressure)
Maximum Injection Pressure: 2,895 PSI (surface pressure)

4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Bone Spring and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Bone Spring, Wolfcamp, Artesia, Pennsylvanian, San Andreas, and Delaware formations.
5. The disposal interval is non-productive. No water samples are available from the surrounding area.

VIII. Geological Data

Devonian Formation Lithology:

The Devonian formation is a dolomitic ramp carbonate that occurs below the Woodford shale and above the Fusselman formation. Strata found in the Devonian formation include two major groups, the Wristen Buildups and the Thirtyone Deepwater Chert, with the Wristen being more abundant. The Wristen Groups is composed of mixed limestone and dolomites with mudstone to grainstone and boundstone textures. Porosity in the Wristen group is a result of both primary and secondary development. Present are moldic, vugular, karstic (including collapse breccia) features that allow for higher porosities and permeabilities. The Thirtyone Formation contains two end-member reservoir facies, skeletal packstones/grainstones and spiculitic chert, with most of the porosity and permeability found in the coarsely crystalline cherty dolomite. These particular characteristics allow for this formation to be a tremendous Salt Water Disposal horizon.

Fusselman Formation Lithology:

The Silurian/Ordovician Fusselman Formation is stratigraphically below the Wristen Group and is above and separated from the Montoya Formation by the Sylvan Shale. The Sylvan Shale is the lower confining layer for the proposed Smith Ranch SWD No. 2 well. Fusselman facies include a laminated skeletal wackestone in the upper part and a buildup complex in the lower part composed of ooid and bryozoan grainstones. These grainstones can also be potentially prolific zones for disposal.

Montoya Formation Lithology:

The Montoya Group of Late Ordovician age unconformably overlies the Simpson Group. The Montoya is composed of light gray to medium-dark gray, fine- to medium-crystalline, calcareous dolomite, some units of which are interbedded with shale or dark-gray limestone and some units of which contain white to very light-gray chert. The Montoya carbonate limestone dolomite sequence is dense, impermeable, and non-porous.

A. Injection Zone: Siluro-Devonian Formation

| Formation | Depth |
|--------------------|---------|
| Rustler | 1,500' |
| Salado | 1,485' |
| Delaware | 5,295' |
| Bone Spring | 8,030' |
| Wolfcamp | 10,880' |
| Strawn | 12,080' |
| Atoka | 12,330' |
| Morrow | 12,830' |
| Barnett | 13,102' |
| Mississippian Lime | 13,452' |
| Woodford | 14,352' |
| Devonian | 14,472' |
| Montoya | 15,572' |
| Simpson | 15,982' |

B. Underground Sources of Drinking Water

One water well exists within one mile of the proposed well. Across the area, fresh water wells are usually drilled between 50' and 850' in depth. The Rustler is known to exist in this general area and may also be another USDW and will be protected through the top of the Salado Formation at 1,485' by setting surface casing at 1,550'.

IX. Proposed Stimulation Program

No stimulation program planned.

X. Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI. Chemical Analysis of Fresh Water Wells

Attached is a map of the one (1) water well that exist within one mile of the well location. Samples from the well have been obtained and analysis results will be provided as soon as possible. A Water Right Summary from the New Mexico Office of the State Engineer is attached for water well CP-00658-POD1.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

HOBBS OGD AMENDED REPORT
JAN 09 2019
RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|--|---|
| ¹ Operator Name and Address 3BEAR FIELD SERVICES, LLC 1512 LARIMER ST., SUITE 540 DENVER, CO 80202 | | ² OGRID Number 372603 |
| ⁴ Property Code 322488 | | ³ API Number 30-025-45470 |
| ⁵ Property Name SMITH RANCH SWD | | ⁶ Well No. 2 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 25 | 19S | 33E | | 1297 | NORTH | 1154 | EAST | LEA |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | | | | | | | | | |

9. Pool Information

| | |
|-------------------------------------|--------------------|
| Pool Name SWD; DEVONIAN-SILURIAN | Pool Code 97869 |
|-------------------------------------|--------------------|

Additional Well Information

| | | | | |
|-------------------------------|---|---|--|--|
| ¹¹ Work Type N | ¹² Well Type S | ¹³ Cable/Rotary R | ¹⁴ Lease Type S | ¹⁵ Ground Level Elevation 3253 |
| ¹⁶ Multiple YES | ¹⁷ Proposed Depth 15,800' | ¹⁸ Formation SILURO-DEVONIAN | ¹⁹ Contractor JDC DRILLING | ²⁰ Spud Date UPON APPROVAL OF C-108 |
| Depth to Ground water 110' | | Distance from nearest fresh water well 4774' | | Distance to nearest surface water 18,725 (LAGUNA TONTO) |

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------------------|-----------|-------------|------------------|---------------|-----------------|---------------|
| SURF | 26" | 20.0" | 94# J-55 | 1500 | 2515 | 0 |
| INTER(1) | 17.5 | 13.375" | 54.5# J-55 | 3400 | 1810 | 0 |
| INTER | 12.25" | 9.625" | 40# L-80 HC | 10880 | 2555 | 0 |

Casing/Cement Program: Additional Comments

LINER/8.75"/7.625"/39# P-110 UFJ/14471/365 SXS/TOC @ 10630'; OPEN HOLE FROM 14472'-15800'; PLEASE SEE ATTACHED WBD

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------|------------------|---------------|--------------|
| | SEE ATTACHMENT | | |

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC if applicable.

Signature: *Jennifer Elrod*

Printed name: JENNIFER ELROD

Title: SR. REGULATORY TECH

E-mail Address: jelrod@chisholmenergy.com

Date: 08/27/2018

Phone: 817-953-3728

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: 01/09/19

Expiration Date: 01/09/21

Conditions of Approval Attached

See Attached

Condition of Approval

CONDITIONS OF APPROVAL

| API # | Operator | Well name & Number |
|--------------|--------------------------|-------------------------------|
| 30-025-45470 | 3Bear Field Services LLC | SMITH RANCH SWD # 002 |

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

| | |
|---------|---|
| XXXXXXX | Review administrative order when approved for additional conditions of approval |
| | |

Other wells

Casing

| | |
|---------|--|
| XXXXXXX | SURFACE, INTERMEDIATE(1), PRODUCTION CASING - Cement must circulate to surface -- Liner(1) Cement come to top of liner |
| XXXXXXX | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |

Lost Circulation

| | |
|---------|---|
| XXXXXXX | Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186 |
| | |

Water flows

| | |
|---------|---|
| XXXXXXX | Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate. |
| | |

Stage Tool

| | |
|---------|---|
| XXXXXXX | Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 |
| XXXXXXX | If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe. |
| XXXXXXX | When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe. |
| | |

Completion & Production

| | |
|---------|--|
| XXXXXXX | Will require a deviational survey with the C-105 |
| XXXXXXX | Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114 |
| XXXXXXX | Must conduct & pass MIT prior to any injection |
| XXXXXXX | May not inject prior to C-108 approval (SWD order approval) |
| XXXXXXX | Approval of this APD does not guarantee approval of C-108 |
| XXXXXXX | Approval of this APD does not approve your tubing sizes. Please see SWD order for approved tubing sizes. |
| XXXXXXX | Must conduct & pass MIT prior to any injection |
| XXXXXXX | If C-108 and/or SWD order is not approved and well has been drilled, the well must be plugged within 90 days of denial of your C-108 |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Phone: (575) 748-1283 Fax: (575) 748-9720
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1000 Rio Brazos Road, Aztec, NM 87410
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District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------------------|--|----------------------------|--|------------------------|--------------------------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name | |
| | | 97869 | | SWD; DEVONIAN-SILURIAN | |
| ⁴ Property Code | | ⁵ Property Name | | | ⁶ Well Number |
| | | SMITH RANCH SWD | | | 2 |
| ⁷ OGRID No. | | ⁸ Operator Name | | | ⁹ Elevation |
| 372603 | | 3BEAR FIELD SERVICES, LLC | | | 3253' |

" Surface Location

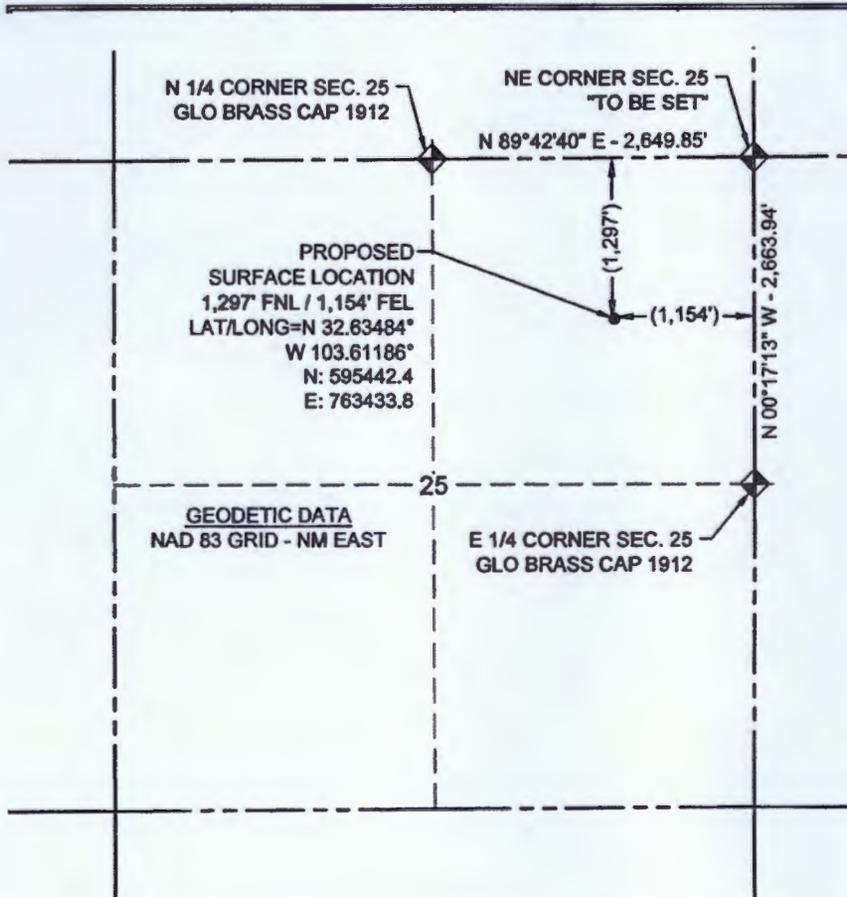
| UL or lot no. A | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| NE 1/4 | 25 | 19S | 33E | | 1,297 | NORTH | 1,154 | EAST | LEA |

" Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



" OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jennifer Elrod 09/13/2018
Signature Date

JENNIFER ELROD

Printed Name

jelrod@chisholmenergy.com

E-mail Address

" SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

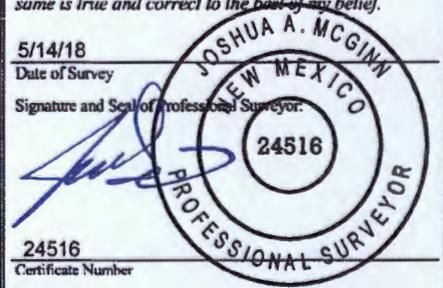
5/14/18

Date of Survey

Joshua A. McGinn
Signature and Seal of Professional Surveyor

24516

Certificate Number



From: Bell, Ric [<mailto:Ric.Bell@mosaicco.com>]
Sent: Tuesday, November 6, 2018 10:48 AM
To: Kevin Burns <kburns@3bearllc.com>; jrutley@blm.gov
Cc: Douglas Swanson <tbarsllc@aol.com>; Morehouse, Dan <Dan.Morehouse@mosaicco.com>
Subject: 3 Bear Energy SWD Wells

Kevin,
Mosaic will not object to the #2 Smith Ranch SWD located 1297'FNL, 1154FEL, Sec 25, T19S, R33E. We will also not object to the #1 Smith Ranch SWD located 358'FNL, 2362FEL, Sec 35, T19S, R33E.
Cheers,
Ric



Ric Bell | Senior Geologist
The Mosaic Company | 1361 Potash Mines Road | Carlsbad, New Mexico, 88220
P: 575.628.6242 | C: 575.361.3854 | E: ric.bell@mosaicco.com |
W: www.mosaicco.com

From: Rutley, James [<mailto:jrutley@blm.gov>]
Sent: Tuesday, November 6, 2018 9:32 AM
To: Kevin Burns <kburns@3bearllc.com>
Cc: Bell, Ric - Carlsbad (Third Party) <ric.bell@mosaicco.com>; Douglas Swanson <tbarsllc@aol.com>; dan.morehouse@mosaicco.com
Subject: Re: [EXTERNAL] FW: 3 Bear Energy proposed SWD well 19-33 Sec 35

Good Morning Kevin,

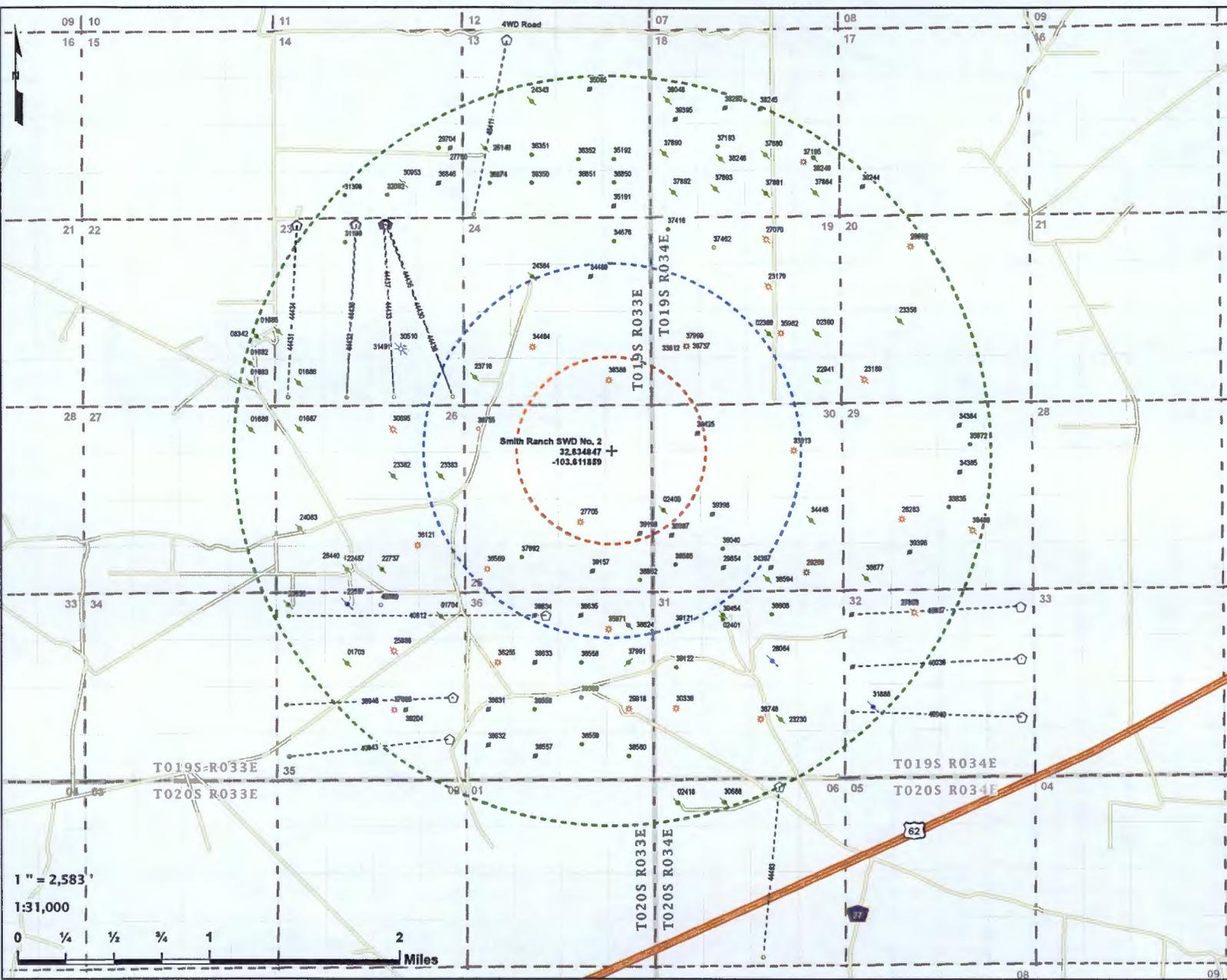
I apologize for not getting back to you sooner. We're a little thin staffed in geology department with two employees going to other departments both in our office and the State Office. Covering a lot of ground till the positions are filled.

I have reviewed both Smith Ranch SWD locations in Sections 25 and 35 of 19S 33E. BLM has no concern with either location as staked. The Section 35 well is within the corridor for drilling being established to the east and west of this location. The Section 25 well is outside of R-111-P and development area is not required.

Thank you for running the locations by me.

Jim

James S. Rutley



Smith Ranch SWD No. 2
2 Mile Area of Review
3Bear Field Services LLC
Lea County, NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)
 Drawn by: SJL | Date: 1/22/2019 | Approved by: TFM

LONQUIST & CO. LLC

PETROLEUM ENGINEERS | **ENERGY ADVISORS**

AUSTIN | HOUSTON | WICHITA | DENVER | CALGARY

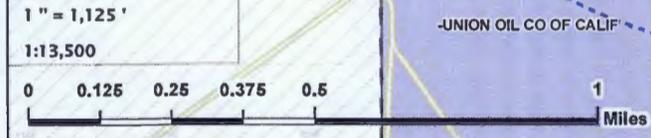
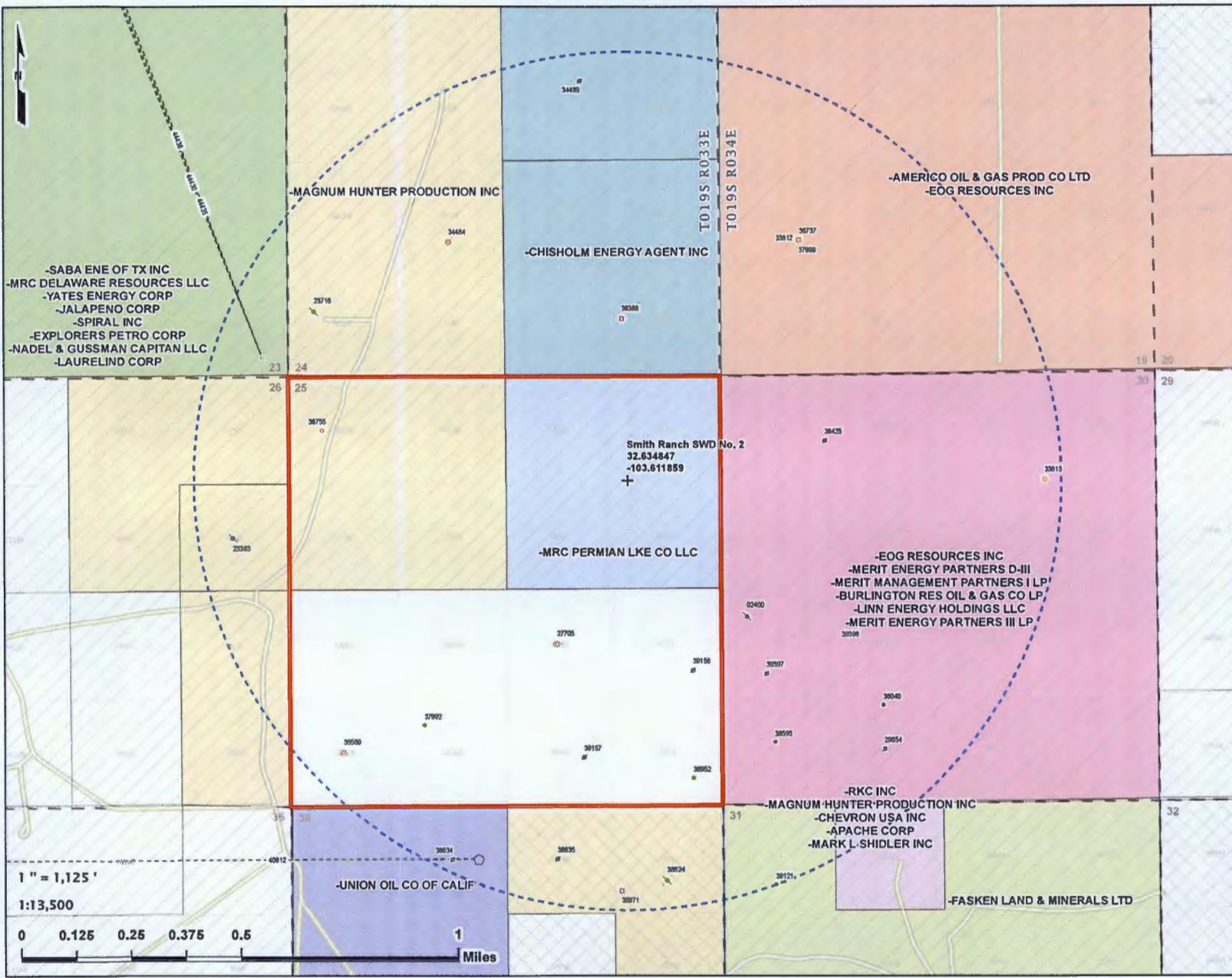
- + Smith Ranch SWD No. 2
 - 1/2 Mile Radius
 - 1 Mile Radius
 - 2 Mile Radius
 - QG-Section [NM-PLSS 2nd Div.]
 - JJ Section [NM-PLSS 1st Div.]
 - Township/Range [NM-PLSS]
 - Laterals
 - API (30-025-...) SHL Status - Type (Count)
 - Horizontal Surface Location (17)
 - Active - Oil (28)
 - ★ Active - Gas (19)
 - Active - Salt Water Disposal (3)
 - Permitted - Oil (1)
 - Permitted - Gas (1)
 - Permitted - Salt Water Disposal (1)
 - Plugged (Not Released) - Oil (1)
 - Plugged (Site Released) - Oil (44)
 - ★ Plugged (Site Released) - Gas (7)
 - Plugged (Site Released) - Salt Water Disposal (1)
 - Canceled Location (28)
 - API (30-025-...) BHL Status - Type (Count)
 - Active - Oil (4)
 - Permitted - Oil (11)
 - Canceled Location (2)
- *Well Data Source: NM-OCDDrillingInfo (2019)



1" = 2,583'
 1:31,000
 0 1/4 1/2 3/4 1 2 Miles

2
Smith Ranch SWD No. 1
1 Mile Area of Review List

| API (30-025-...) | WELL NAME | WELL TYPE | STATUS | OPERATOR | TVD (FT.) | LATITUDE (NAD83 DD) | LONGITUDE (NAD83 DD) | DATE DRILLED | FIELD |
|------------------|-------------------------------|-----------|--------|--------------------------------|-----------|---------------------|----------------------|--------------|--|
| 02400 | PRE-ONGARD WELL #001 | O | P | PRE-ONGARD WELL OPERATOR | 3954 | 32.6302528000 | -103.607170100 | 3/9/1957 | - |
| 23383 | PRE-ONGARD WELL #001 | O | P | PRE-ONGARD WELL OPERATOR | 70 | 32.6329842000 | -103.627494800 | 11/30/1969 | - |
| 23716 | PRE-ONGARD WELL #001 | O | P | PRE-ONGARD WELL OPERATOR | 4870 | 32.6406250000 | -103.624252300 | 25989 | - |
| 27705 | SMITH #001 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13650 | 32.6293488000 | -103.614677400 | 2/8/1982 | [2260] APACHE RIDGE, BONE SPRING; [77380] GEM, MORROW, EAST (GAS); [96244] GEM, STRAWN, EAST |
| 29654 | PRE-ONGARD WELL #002 | O | C | PRE-ONGARD WELL OPERATOR | 0 | 32.6257308988 | -103.601797337 | - | - |
| 33812 | MESCALERO 19 FEDERAL #001 | G | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6429456903 | -103.604970399 | - | - |
| 33813 | MESCALERO 30 FEDERAL #004 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13700 | 32.6347847000 | -103.595367400 | 2/24/1997 | [83280] QUAIL RIDGE, MORROW (GAS); [96244] GEM, STRAWN, EAST |
| 34484 | ESMERALDA 24 FEDERAL #001 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13118 | 32.6429520000 | -103.618881200 | 8/18/1998 | [59500] TONTO, WOLFCAMP; [96244] GEM, STRAWN, EAST; [96838] DRY AND ABANDONED |
| 34489 | SAGEBRUSH 24 FEDERAL COM #001 | G | C | NEARBURG PRODUCING CO | 0 | 32.6483774259 | -103.613570229 | - | [77380] GEM, MORROW, EAST (GAS) |
| 35971 | PENNZOIL 36 STATE COM #002 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13700 | 32.6210175000 | -103.612205500 | 9/5/2002 | [2260] APACHE RIDGE, BONE SPRING; [83280] QUAIL RIDGE, MORROW (GAS); [96244] GEM, STRAWN, EAST |
| 36040 | MESCALERO 30 FEDERAL #002 | O | A | CIMAREX ENERGY CO. OF COLORADO | 13750 | 32.6272163000 | -103.601821900 | 7/11/2003 | [2260] APACHE RIDGE, BONE SPRING; [83280] QUAIL RIDGE, MORROW (GAS); [96244] GEM, STRAWN, EAST |
| 36569 | LAGUNA DEEP UNIT #008 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13660 | 32.6257286000 | -103.623230000 | 8/22/2005 | [77380] GEM, MORROW, EAST (GAS) |
| 36737 | MESCALERO 19 FEDERAL #002 | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6429456903 | -103.604970399 | - | [83280] QUAIL RIDGE, MORROW (GAS) |
| 37992 | LAGUNA DEEP UNIT #012 | O | A | CIMAREX ENERGY CO. OF COLORADO | 10460 | 32.6266327000 | -103.620010400 | 8/4/2006 | [2260] APACHE RIDGE, BONE SPRING |
| 37999 | MESCALERO 19 FEDERAL COM #002 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13645 | 32.6429482000 | -103.604988100 | 8/6/2006 | [2260] APACHE RIDGE, BONE SPRING; [83280] QUAIL RIDGE, MORROW (GAS) |
| 38388 | AFTON 24 FEDERAL COM #001 | G | A | CIMAREX ENERGY CO. OF COLORADO | 13725 | 32.6403313000 | -103.611999500 | 8/25/2007 | [83280] QUAIL RIDGE, MORROW (GAS); [96244] GEM, STRAWN, EAST |
| 38425 | MESCALERO 30 FEDERAL #005 | G | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6361590914 | -103.604047160 | - | [83280] QUAIL RIDGE, MORROW (GAS) |
| 38595 | MESCALERO 30 FEDERAL #007 | O | A | CIMAREX ENERGY CO. OF COLORADO | 12500 | 32.6259956000 | -103.606117200 | 12/7/2007 | [2260] APACHE RIDGE, BONE SPRING; [96244] GEM, STRAWN, EAST |
| 38624 | PENNZOIL B 36 STATE #007 | O | P | CIMAREX ENERGY CO. OF COLORADO | 10400 | 32.6213455000 | -103.610420200 | 1/20/2008 | [2260] APACHE RIDGE, BONE SPRING |
| 38634 | LAGUNA DEEP UNIT #021C | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6220967188 | -103.618930626 | - | [2260] APACHE RIDGE, BONE SPRING |
| 38635 | PENNZOIL B 36 STATE #006 | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6220925981 | -103.614733413 | - | [2260] APACHE RIDGE, BONE SPRING |
| 38755 | LAGUNA DEEP UNIT #011 | G | N | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6366081000 | -103.624000500 | - | [77380] GEM, MORROW, EAST (GAS) |
| 38952 | SMITH #002 | O | A | CIMAREX ENERGY CO. OF COLORADO | 12532 | 32.6248093000 | -103.609336900 | 7/9/2008 | [2260] APACHE RIDGE, BONE SPRING |
| 39121 | LING FEDERAL #005 | O | A | FASKEN OIL & RANCH LTD | 9775 | 32.6211815000 | -103.606132500 | 10/24/2008 | [2260] APACHE RIDGE, BONE SPRING |
| 39157 | SMITH #003 | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6255136533 | -103.613645937 | - | [2260] APACHE RIDGE, BONE SPRING |
| 39158 | SMITH #004 | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6284367329 | -103.609327887 | - | [2260] APACHE RIDGE, BONE SPRING |
| 39397 | MESCALERO 30 FEDERAL #008 | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6283029553 | -103.606423418 | - | [2260] APACHE RIDGE, BONE SPRING |
| 39398 | MESCALERO 30 FEDERAL #009 | O | C | CIMAREX ENERGY CO. OF COLORADO | 0 | 32.6299064815 | -103.602762555 | - | [2260] APACHE RIDGE, BONE SPRING |
| 40812 | LAGUNA DEEP UNIT #021H | O | A | CIMAREX ENERGY CO. OF COLORADO | 9380 | 32.6220970000 | -103.617889400 | 11/16/2012 | [58960] TEAS, BONE SPRING |
| 44430 | MJ FEDERAL #124H | O | N | MATADOR PRODUCTION COMPANY | 0 | 32.6524965000 | -103.631788500 | - | [27230] GEM, BONE SPRING, EAST |
| 44435 | MJ FEDERAL #224H | O | N | MATADOR PRODUCTION COMPANY | 0 | 32.6524968000 | -103.632187100 | - | [59500] TONTO, WOLFCAMP |
| 44438 | MJ FEDERAL #234H | O | N | MATADOR PRODUCTION COMPANY | 0 | 32.6524965000 | -103.632090400 | - | [59500] TONTO, WOLFCAMP |



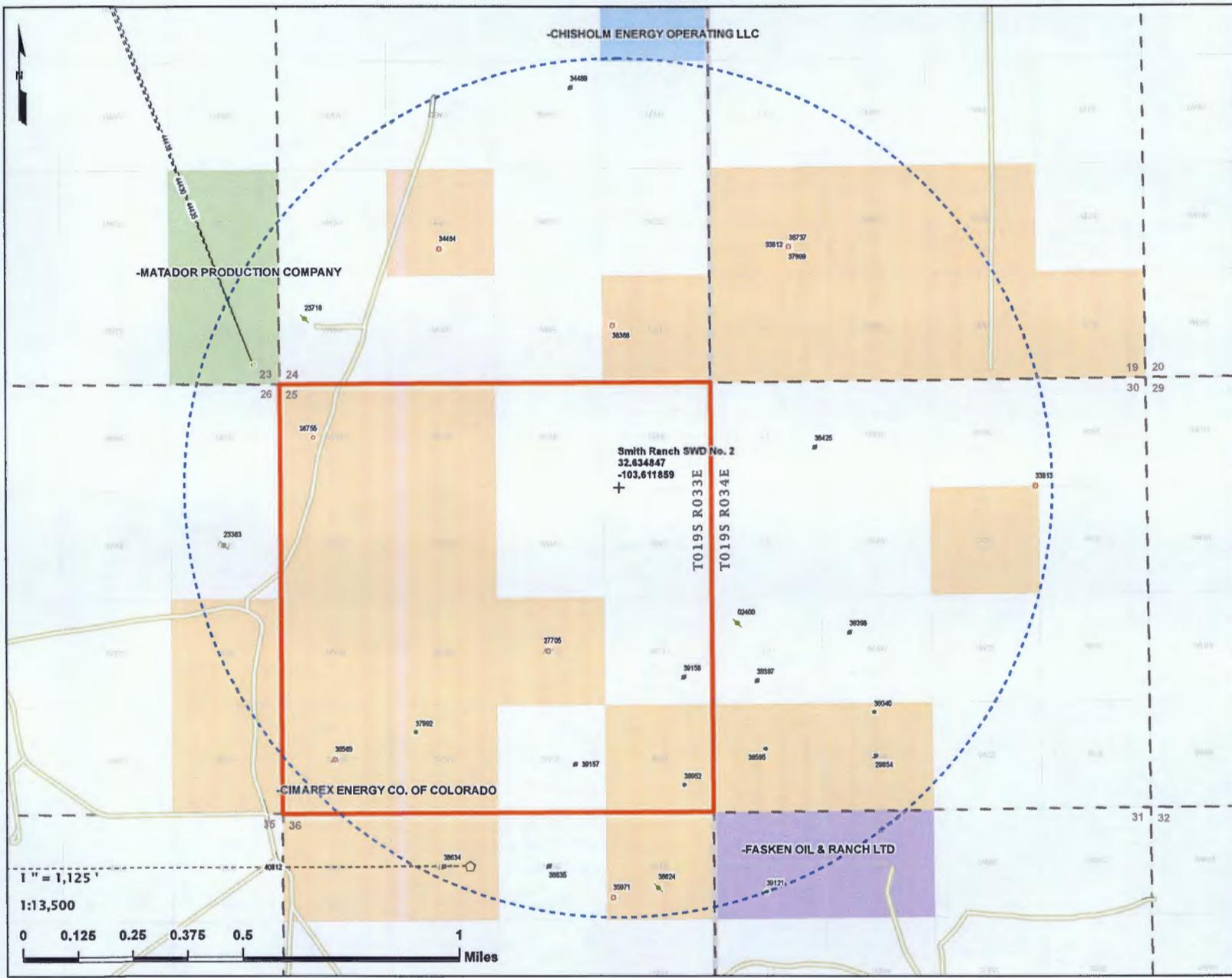
Smith Ranch SWD No. 2
1 Mile Offset Lessees
3Bear Field Services LLC
 Lea County, NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)
 Drawn by: SJL Date: 1/23/2019 Approved by: TFM

LONQUIST & CO. LLC
 PETROLEUM ENGINEERS ENERGY ADVISORS
 AUSTIN HOUSTON WICHITA DENVER CALGARY

- ⊕ Smith Ranch SWD No. 2
 - ⊕ 1 Mile Radius
 - ⊕ QQ-Section [NM-PLSS 2nd Div.]
 - ⊕ I Section [NM-PLSS 1st Div.]
 - ⊕ Township/Range [NM-PLSS]
 - ⊕ Surface Owner Property Boundary (Smith Kenneth Inc)
 - NM - BLM
 - NM - SLO
 - Laterals
- API (30-025-...) SHL Status - Type (Count)**
- Horizontal Surface Location (4)
 - Active - Oil (5)
 - Active - Gas (7)
 - Permitted - Gas (1)
 - Plugged (Site Released) - Oil (4)
 - Canceled Location (11)
- API (30-025-...) BHL Status - Type (Count)**
- Active - Oil (1)
 - Permitted - Oil (3)
- Lessees**
- AMERICO OIL & GAS PROD CO LTD; -EOG RESOURCES INC
 - CHISHOLM ENERGY AGENT INC
 - EOG RESOURCES INC; -MERIT ENERGY PARTNERS D-III; -MERIT MANAGEMENT PARTNERS I LP; -BURLINGTON RES OIL & GAS CO LP; -LINN ENERGY HOLDINGS LLC; -MERIT ENERGY PARTNERS III LP
 - FASKEN LAND & MINERALS LTD
 - MAGNUM HUNTER PRODUCTION INC
 - MRC PERMIAN LKE CO LLC
 - RKC INC; -MAGNUM HUNTER PRODUCTION INC; -CHEVRON USA INC; -APACHE CORP; -MARK L SHIDLER INC
 - SABA ENE OF TX INC; -MRC DELAWARE RESOURCES LLC; -YATES ENERGY CORP; -JALAPENO CORP; -SPIRAL INC; -EXPLORERS PETRO CORP; -NADEL & GUSSMAN CAPITAN LLC; -LAURELIND CORP
 - UNION OIL CO OF CALIF
- *Lease Data Source: NM-OC/NM-BLM/NM-SLO (2019)
 **Well Data Source: NM-OC/DrillingInfo (2019)





Smith Ranch SWD No. 2
1 Mile Offset Operators
3Bear Field Services LLC
 Lea County, NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)
 Drawn by: SJL | Date: 1/23/2019 | Approved by: TFM

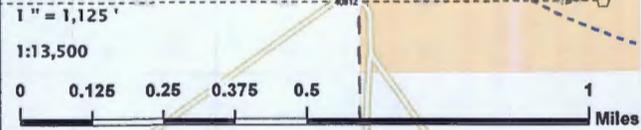
LONQUIST & CO. LLC
 PETROLEUM ENGINEERS | ENERGY ADVISORS
 AUSTIN | HOUSTON | WICHITA | DENVER | CALGARY

- + Smith Ranch SWD No. 2
- ⊖ 1 Mile Radius
- QQ-Section [NM-PLSS 2nd Div.]
- ▭ 1 Section [NM-PLSS 1st Div.]
- ▭ Township/Range [NM-PLSS]
- ▭ Surface Owner Property Boundary (Smith Kenneth Inc)
- Laterals

- API (30-025-...) SHL Status - Type (Count)**
- Horizontal Surface Location (4)
 - Active - Oil (5)
 - Active - Gas (7)
 - Permitted - Gas (1)
 - ⌘ Plugged (Site Released) - Oil (4)
 - # Canceled Location (11)
- API (30-025-...) BHL Status - Type (Count)**
- Active - Oil (1)
 - Permitted - Oil (3)

- Operators**
- -CHISHOLM ENERGY OPERATING LLC
 - -CIMAREX ENERGY CO. OF COLORADO
 - -FASKEN OIL & RANCH LTD
 - -MATADOR PRODUCTION COMPANY

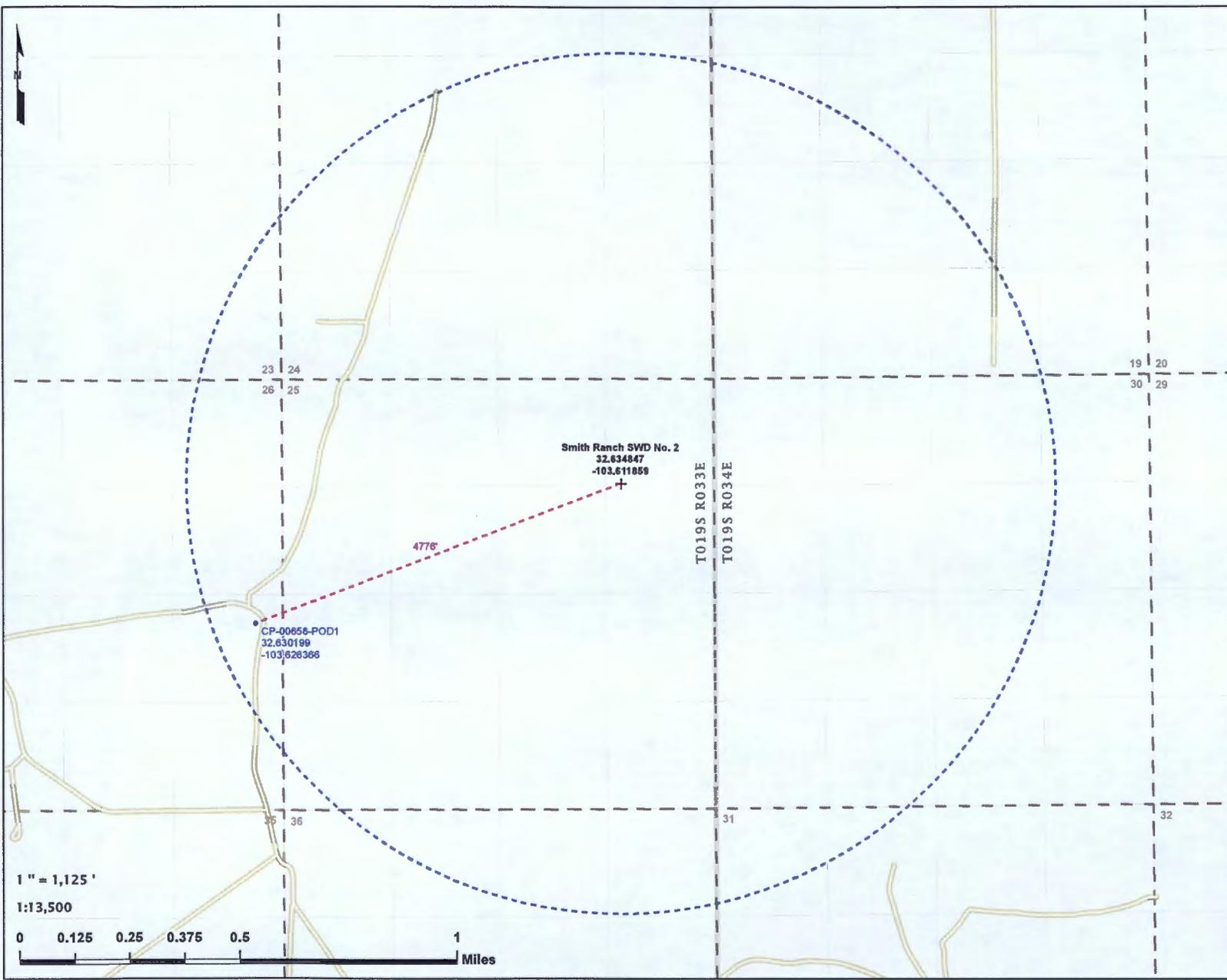
*Lease Data Source: NM-OCD/NM-RLM/NM-SLO (2019)
 **Well Data Source: NM-OCD/DrillingInfo (2019)



Smith Ranch SWD No. 2
1 Mile Offset Operators and Lessees List

| S/T/R | QQ UNIT LETTER(S) | OPERATOR | MINERAL LESSEE | MINERAL OWNER | SURFACE OWNER | ADDRESS 1 | ADDRESS 2 |
|------------------|-----------------------|--------------------------------|--------------------------------|-------------------|-------------------|---|----------------------|
| 23/19S/33E | LP | MATADOR PRODUCTION COMPANY | - | - | - | ONE LINCOLN CENTRE 5400 LBJ FREEWAY, STE 1500 | DALLAS, TX 75240 |
| 24/19S/33E | K,P | CIMAREX ENERGY CO. OF COLORADO | - | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | A | CHISHOLM ENERGY OPERATING LLC | - | - | - | 801 CHERRY STREET | FORT WORTH, TX 76102 |
| | E,F,L,M,N | - | MAGNUM HUNTER PRODUCTION INC | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | B,G,H,I,J,O | - | CHISHOLM ENERGY AGENT INC | - | - | 801 CHERRY ST STE 1200 UNIT 20 | FORT WORTH, TX 76102 |
| 19/19S/34E | J,K,L,M,N,O,P | CIMAREX ENERGY CO. OF COLORADO | - | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | E,F | - | AMERICO OIL & GAS PROD CO LTD | - | - | 7575 SAN FELIPE #200 | HOUSTON, TX 77063 |
| | | - | EOG RESOURCES INC | - | - | PO BOX 4362 | HOUSTON, TX 77210 |
| 30/19S/34E | G,M,N | CIMAREX ENERGY CO. OF COLORADO | - | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | A,B,C,D,E,F,H,J,K,L,O | - | EOG RESOURCES INC | - | - | PO BOX 4362 | HOUSTON, TX 77210 |
| | | - | MERIT ENERGY PARTNERS D-III | - | - | 13727 NOEL RD STE 1200 | DALLAS, TX 75240 |
| | | - | MERIT MANAGEMENT PARTNERS I LP | - | - | 13727 NOEL RD STE 500 | DALLAS, TX 75240 |
| | | - | BURLINGTON RES OIL & GAS CO LP | - | - | PO BOX 51810 | MIDLAND, TX 79710 |
| | | - | LINN ENERGY HOLDINGS LLC | - | - | 800 TRAVIS ST STE 1400 | HOUSTON, TX 77002 |
| | | - | MERIT ENERGY PARTNERS III LP | - | - | 13727 NOEL RD STE 1200 | DALLAS, TX 75240 |
| 25/19S/33E | C,D,E,F,J,K,L,M,N,P | CIMAREX ENERGY CO. OF COLORADO | - | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | A,B,G,H | - | MRC PERMIAN LKE CO LLC | - | - | 5400 LBJ FWY STE 1500 | DALLAS, TX 75240 |
| | I,O | - | - | PRIVATE (UNKNOWN) | SMITH KENNETH INC | 287 SMITH RANCH RD | HOBBS, NM 88240 |
| 28/19S/33E | LP | CIMAREX ENERGY CO. OF COLORADO | - | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | A,H | - | MAGNUM HUNTER PRODUCTION INC | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| 36/19S/33E | A,C,D | CIMAREX ENERGY CO. OF COLORADO | - | - | - | 202 S. CHEYENNE AVE, SUITE 1000 | TULSA, OK 74103 |
| | B | - | MAGNUM HUNTER PRODUCTION INC | - | - | 600 N MARIENFELD STREET, SUITE 600 | MIDLAND, TX 79701 |
| 31/19S/34E | C,D | FASKEN OIL & RANCH LTD | - | - | - | 6101 HOLIDAY HILL ROAD | MIDLAND, TX 79707 |
| Surface Location | - | - | - | - | SMITH KENNETH INC | 287 SMITH RANCH RD | HOBBS, NM 88240 |

| Smith Ranch SWD No. 2 Offsetting Produced Water Analysis | | | | | | | | | | | | | | | | | |
|--|------------|---------|----------|-------|------|-----------------------|------|------------|---------------|----------------|-------------|------------------|------------------|-----------------|--------------------|----------------|------------|
| Well Name | API | Section | Township | Range | Unit | Formation | ph | TDS (mg/L) | Sodium (mg/L) | Calcium (mg/L) | Iron (mg/L) | Magnesium (mg/L) | Manganese (mg/L) | Chloride (mg/L) | Bicarbonate (mg/L) | Sulfate (mg/L) | CO2 (mg/L) |
| MAGNOLIA STATE #001 | 3002501701 | 32 | 19S | 33E | B | ARTESIA | | 8771 | | | | | | 4301 | 1538 | 180 | |
| NELLIS FEDERAL #003 | 3002526091 | 6 | 19S | 33E | F | ARTESIA | 6.8 | 70660 | | | | | | 42600 | 549 | 365 | |
| BATE FEDERAL #003 | 3002522597 | 35 | 19S | 33E | C | ARTESIA | 7.8 | 117622 | | | | | | 66700 | 506 | 5800 | |
| NELLIS A FEDERAL #004 | 3002525912 | 8 | 19S | 33E | E | BONE SPRING | 6.9 | 48582 | | | | | | 28900 | 763 | 160 | |
| MALACHITE 22 FEDERAL #001H | 3002540318 | 22 | 19S | 33E | D | BONE SPRING 1ST SAND | 6.4 | | 73407 | 1293 | 33 | 265 | 0.26 | 116995 | 780 | 480 | 250 |
| PLAYA 2 STATE #001H | 3002540405 | 2 | 19S | 34E | N | BONE SPRING 3RD SAND | 6.5 | 182368 | 41880 | 7125 | 31.4 | 1158 | 1.06 | 81893 | 353.8 | 823 | 190 |
| PLAYA 2 STATE #002H | 3002540549 | 2 | 19S | 34E | M | BONE SPRING 3RD SAND | 6.48 | 182368 | 41450 | 8421 | 28.1 | 1264 | 0.8 | 85041 | 362 | 956 | 180 |
| LUSK AHB FEDERAL #002 | 3002531042 | 35 | 19S | 32E | G | DELAWARE | 6.05 | 220235 | | 22044 | 45 | 3525 | | 136969 | 122 | 450 | |
| LUSK AHB FEDERAL #005 | 3002531151 | 35 | 19S | 32E | B | DELAWARE | 6.86 | 172408 | | 12024 | 28 | 1945 | | 104976 | 146 | 1800 | |
| LUSK AHB FEDERAL #006 | 3002531314 | 35 | 19S | 32E | A | DELAWARE | 6.86 | 125179 | | 4509 | 8 | 1520 | | 74983 | 220 | 2900 | |
| LUSK AHB FEDERAL #006 | 3002531314 | 35 | 19S | 32E | A | DELAWARE | 7.1 | 125396 | | 3507 | 8 | 912 | | 69984 | 303 | 7400 | |
| NEW MEXICO 24 FEDERAL COM #0 | 3002539741 | 24 | 18S | 33E | A | DELAWARE-CHERRY CANYO | 7.07 | 232774.2 | 67508.7 | 15857 | 8 | 3523 | 0.2 | 143232 | 73.2 | 887 | 240 |
| STATE CL #003 | 3002501575 | 2 | 18S | 33E | D | GRAYBURG/SAN ANDRES | | 76321 | | | | | | 44800 | 450 | 3000 | |
| INEXCO AHY FEDERAL #001 | 3002525470 | 7 | 19S | 33E | H | PENNSYLVANIAN | 6.5 | | | 5600 | 50 | 975.3 | | 37062 | 610 | 12.5 | |
| BUFFALO FEDERAL UNIT #004 | 3002501661 | 4 | 19S | 33E | H | PENNSYLVANIAN | | 163468 | | | | | | 99880 | 415 | 848 | |
| FEDERAL AC #002 | 3002501675 | 18 | 19S | 33E | E | PENNSYLVANIAN | | 1305 | | | | | | 140 | 232 | 510 | |
| LAGUNA PLATA FEDERAL #001 | 3002501678 | 22 | 19S | 33E | I | WOLFCAMP | | 46915 | | | | | | 27270 | 714 | 1116 | |

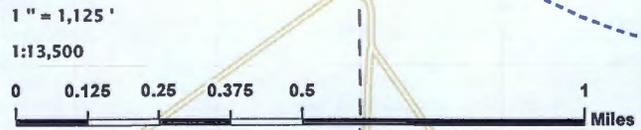


Smith Ranch SWD No. 2
Water Wells within 1 Mile
 3Bear Field Services LLC
 Lea County, NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)
 Drawn by: SJL Date: 1/23/2019 Approved by: TFM

LONQUIST & CO. LLC
 PETROLEUM ENGINEERS ENERGY ADVISORS
 AUSTIN HOUSTON WICHITA DENVER CALGARY

- + Smith Ranch SWD No. 2
 - Water Well (1)
 - 1 Mile Radius
 - - Distance Call
 - QQ-Section [NM-PLSS 2nd Div.]
 - L 1 Section [NM-PLSS 1st Div.]
 - Township/Range [NM-PLSS]
- *Nearest surface water: 18,688' to the SWW
 **Water Well Data Source: NM-OSE (2019)





New Mexico Office of the State Engineer

Water Right Summary



WR File Number: CP 00658 **Subbasin:** CP **Cross Reference:** -
Primary Purpose: PLS NON 72-12-1 LIVESTOCK WATERING
Primary Status: DCL DECLARATION
Total Acres: 0 **Subfile:** -
Total Diversion: 2 **Cause/Case:** -
Owner: KENNETH SMITH

Documents on File

| Trn # | Doc | File/Act | Status | | Transaction Desc. | From/ | Acres | Diversion | Consumptive |
|------------------------|-----------------------|----------------------------|--------|-----|-------------------|-------|-------|-----------|-------------|
| | | | 1 | 2 | | To | | | |
| 547000 | COWNF | 1993-08-23 | CHG | PRC | CP 00658 | T | 0 | 0 | |
| 546999 | DCL | 1982-11-17 | DCL | PRC | CP 00658 | T | 0 | 2 | |

Current Points of Diversion

| POD Number | Well Tag | Source | Q Q Q | | | X | Y | Other Location Desc |
|-------------------------------|----------|---------|-------|----|---|----|-----|---------------------|
| | | | 64 | 16 | 4 | | | |
| CP 00658 POD1 | | Shallow | 2 | 2 | 4 | 26 | 19S | 33E 628857 3611125* |

(NAD83 UTM in meters)
 An () after northing value indicates UTM location was derived from PLSS - see Help

Priority Summary

| Priority | Status | Acres | Diversion | Pod Number | Source |
|------------|--------|-------|-----------|-------------------------------|---------|
| 12/31/1920 | DCL | 0 | 2 | CP 00658 POD1 | Shallow |

Place of Use

| Q Q Q Q | | | Acres | Diversion | CU | Use | Priority | Status | Other Location Desc |
|---------|----|----|-------|-----------|----|-----|------------|--------|-----------------------|
| 256 | 64 | 16 | | | | | | | |
| 4 | 4 | 4 | 0 | 2 | | PLS | 12/31/1920 | DCL | NO PLACE OF USE GIVEN |

Source

| Acres | Diversion | CU | Use | Priority | Source Description |
|-------|-----------|----|-----|------------|--------------------|
| 0 | 2 | | PLS | 12/31/1920 | GW |

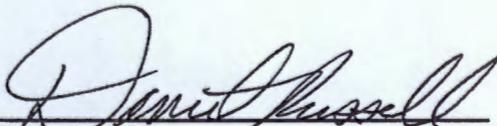
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

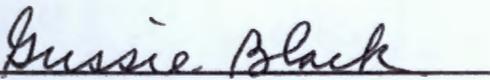
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 03, 2018
and ending with the issue dated
August 03, 2018.



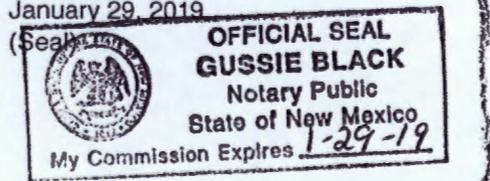
Publisher

Sworn and subscribed to before me this
3rd day of August 2018.



Business Manager

My commission expires
January 29, 2019



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

LEGAL NOTICE August 3, 2018

3Bear Field Services, LLC is applying to drill the Smith Ranch SWD 2 as a saltwater disposal well. Disposal will be in the Silurian and Devonian from 13,977' MD-15477' MD. The well will be located 29.1 miles northwest from Monument, NM @ 1297 FNL & 1154 FEL, Sec. 25, T 19S, R 33E, Lea County, NM. Maximum injection rate proposed is 25,000 bpwd with an avg. injection rate of 20,000 bpwd. Maximum injection pressure proposed is 2,340 psi. Interested parties must file objections or requests for hearing with the ENMRD-Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days.

Additional information can be obtained by contacting: Jennifer Elrod, Chisholm Energy Operating, 801 Cherry St., Suite 1200-Unit 20, Fort Worth, TX 76102; (817)953-3728 #33067

67115144

00216021

BETTIE WATSON
CHISHOLM ENERGY OPERATING, LLC
801 CHERRY ST. STE 1200-UNIT 20
FORT WORTH, TX 76102

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**OIL CONSERVATION DIVISION
DISTRICT 1
1625 N FRENCH DR
HOBBS, NM 88240
1775-SMITH RANCH SWD #2**



9590 9402 4693 8323 9950 03

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8254

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

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Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark
Here

Postage

\$

Total

\$

Service

State

City

**OIL CONSERVATION DIVISION
DISTRICT 1
1625 N FRENCH DR
HOBBS, NM 88240
1775-SMITH RANCH SWD #2**

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8254

7018 1830 0000 8887 8254

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**KENNETH SMITH INC
267 SMITH RANCH ROAD
HOBBS NM 88240**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 90

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8261

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$

Total

\$

Sent

Street

City

**KENNETH SMITH INC
267 SMITH RANCH ROAD
HOBBS NM 88240**

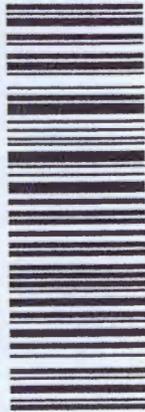
1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®



7018 1830 0000 8887 8261
7018 1830 0000 8887 8261

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | | | | | | | | | | | | | | | | |
|---|--|---|---|--|---|---|--|---|---|--|--|--|---|---------------------------------------|--|--|--|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> | | | | | | | | | | | | | | | | |
| <p>1. Article Addressed to:</p> <p style="text-align: center;">MATADOR PRODUCTION COMPANY ONE LINCOLN CENTRE 5400 LBJ FREEWAY, STE 1500 DALLAS TC 75240 1775-SMITH RANCH SWD #2</p>  <p style="text-align: center;">9590 9402 4693 8323 9949 83</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> | | | | | | | | | | | | | | | | |
| <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7018 1830 0000 8887 8278</p> | <p>3. Service Type</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | <input type="checkbox"/> Insured Mail | | <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | | | | | | | | | | | | | | | | | |
| <p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> | <p style="text-align: right;">Domestic Return Receipt</p> | | | | | | | | | | | | | | | | |

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8278

7018 1830 0000 8887 8278

U.S. Postal Service™
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OFFICIAL USE

| | |
|--|---|
| <p>Certified Mail Fee \$ _____</p> <p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$ _____</p> <p><input type="checkbox"/> Return Receipt (electronic) \$ _____</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$ _____</p> <p><input type="checkbox"/> Adult Signature Required \$ _____</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$ _____</p> | <p>Postmark Here</p> |
| <p>Postage \$ _____</p> <p>Total \$ _____</p> <p>Sent _____</p> <p>Street _____</p> <p>City _____</p> | <p style="font-weight: bold; margin: 0;">MATADOR PRODUCTION COMPANY</p> <p style="margin: 0;">ONE LINCOLN CENTRE</p> <p style="margin: 0;">5400 LBJ FREEWAY, STE 1500</p> <p style="margin: 0;">DALLAS TC 75240</p> <p style="margin: 0;">1775-SMITH RANCH SWD #2</p> |

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**CIMAREX ENERGY CO OF COLORADO
202 S CHEYENNE AVE, STE 1000
TULSA OK 74103**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 76

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8285

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

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**CIMAREX ENERGY CO OF COLORADO
202 S CHEYENNE AVE, STE 1000
TULSA OK 74103**

1775-SMITH RANCH SWD #2

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PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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7018 1830 0000 8887 8285
7018 1830 0000 8887 8285

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**CHISHOLM ENERGY OPERATING LLC
801 CHERRY STREET
FT WORTH TX 76102**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 69

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8292

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

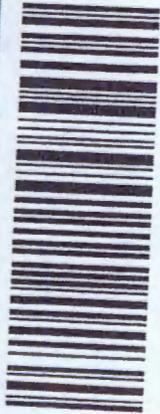
3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

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7018 1830 0000 8887 8292

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Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postage

\$

Total

\$

Sent

Street

City:

**CHISHOLM ENERGY OPERATING LLC
801 CHERRY STREET
FT WORTH TX 76102**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Postmark
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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**FASKEN OIL & RANCH LTD
6101 HOLIDAY HILL ROAD
MIDLAND TX 79707**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 52

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8308

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from Item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

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7018 1830 0000 8887 8308

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OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

Postmark
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**FASKEN OIL & RANCH LTD
6101 HOLIDAY HILL ROAD
MIDLAND TX 79707**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-8047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**MAGNUM HUNTER PRODUCTION INC
202 S CHEYENNE AVE STE 1000
TULSA OK 74103**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 45

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8315

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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OFFICIAL USE

Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

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**MAGNUM HUNTER PRODUCTION INC
202 S CHEYENNE AVE STE 1000
TULSA OK 74103**

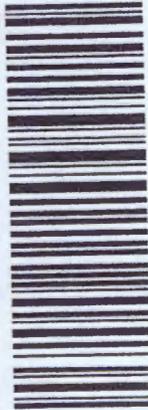
1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-0047

See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
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7018 1830 0000 8887 8315
7018 1830 0000 8887 8315

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**CHISHOLM ENERGY AGENT INC
801 CHERRY STREET, STE 1200
UNITE 20
FT WORTH TX 76102
1775-SMITH RANCH SWD #2**



9590 9402 4693 8323 9949 21

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8339

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- | | |
|--|---|
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8339
7018 1830 0000 8887 8339

**U.S. Postal Service™
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OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- | | | |
|--|----|-------|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ | _____ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ | _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ | _____ |
| <input type="checkbox"/> Adult Signature Required | \$ | _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ | _____ |

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**CHISHOLM ENERGY AGENT INC
801 CHERRY STREET, STE 1200
UNITE 20
FT WORTH TX 76102
1775-SMITH RANCH SWD #2**

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**AMERICO OIL & GAS PROD CO LTD
7575 SAN FELIPE #200
HOSUTON TX 77063**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 38

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8322

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

- \$ _____
- Extra Services & Fees (check box, add fee as appropriate)
- Return Receipt (hardcopy) \$ _____
 - Return Receipt (electronic) \$ _____
 - Certified Mail Restricted Delivery \$ _____
 - Adult Signature Required \$ _____
 - Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$ _____
Total
\$ _____
Sent
Street
City, :

**AMERICO OIL & GAS PROD CO LTD
7575 SAN FELIPE #200
HOSUTON TX 77063**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8322
7018 1830 0000 8887 8322

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**EOG RESOURCES INC
PO BOX 4362
HOUSTON TX 77210**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 14

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8346

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
X

B. Received by (Printed Name) C. Date of Delivery

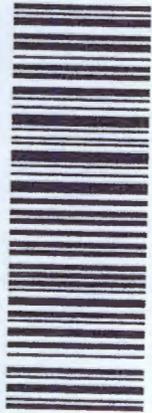
D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- | | |
|--|---|
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®



7018 1830 0000 8887 8346
7018 1830 0000 8887 8346

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only**

For delivery information, visit our website at www.usps.com™.

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

| | |
|--|----------|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> Adult Signature Required | \$ _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ |

Postage \$ _____

Postmark Here

**EOG RESOURCES INC
PO BOX 4362
HOUSTON TX 77210**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**MERIT ENERGY PARTNERS D-III
13727 NOEL ROAD, STE 1200
DALLAS, TX 75240**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9949 07

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8353

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
X

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- | | |
|--|---|
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD ALONG DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8353
7018 1830 0000 8887 8353

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com™.

OFFICIAL USE

| | |
|--|----------|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> Adult Signature Required | \$ _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ |

Postmark
Here

Postage
\$
Total
\$
Sent
\$
Street
City,

**MERIT ENERGY PARTNERS D-III
13727 NOEL ROAD, STE 1200
DALLAS, TX 75240**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MERIT MANAGEMENT PARTNERS I LP
13727 NOEL ROAD, STE 500
DALLAS, TX 75240

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9948 91

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8360

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8360
 7018 1830 0000 8887 8360

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

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Ser

Str

City

MERIT MANAGEMENT PARTNERS I LP
13727 NOEL ROAD, STE 500
DALLAS, TX 75240

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**BURLINGTON RES OIL & GAS CO LP
PO BOX 51810
MIDLAND TX 79710**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9948 84

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8377

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

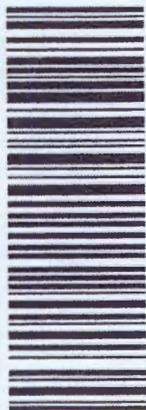
3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8377
7018 1830 0000 8887 8377

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$

To

\$

St

St

St

St

St

**BURLINGTON RES OIL & GAS CO LP
PO BOX 51810
MIDLAND TX 79710**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | | | | | | | | | | | | | | | | |
|---|--|---|---|--|---|---|--|---|---|--|--|--|---|---------------------------------------|--|--|--|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (<i>Printed Name</i>) <input type="checkbox"/> C. Date of Delivery</p> | | | | | | | | | | | | | | | | |
| <p>1. Article Addressed to:</p> <p>LINN ENERGY HOLDINGS LLC 600 TRAVIS STREET STE 1400 HOUSTON TX 77002</p> <p>1775-SMITH RANCH SWD #2</p>  <p>9590 9402 4693 8323 9948 77</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> | | | | | | | | | | | | | | | | |
| <p>2. Article Number (<i>Transfer from service label</i>)</p> <p>7018 1830 0000 8887 8384</p> | <p>3. Service Type</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | <input type="checkbox"/> Insured Mail | | <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | | | | | | | | | | | | | | | | | |
| <p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> | <p>Domestic Return Receipt</p> | | | | | | | | | | | | | | | | |

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL®



7018 1830 0000 8887 8384

7018 1830 0000 8887 8384

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (*check box, add fee as appropriate*)

| | |
|--|----------|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> Adult Signature Required | \$ _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ |

Postage \$ _____

Total \$ _____

Sent _____

Street _____

City, State _____

LINN ENERGY HOLDINGS LLC
600 TRAVIS STREET STE 1400
HOUSTON TX 77002

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**MERIT ENERGY PARTNERS III LP
13727 NOEL ROAD, STE 1200
DALLAS TX 75240**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9948 60

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8391

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- | | |
|--|---|
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®



7018 1830 0000 8887 8391
7018 1830 0000 8887 8391

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

- \$ _____
- Extra Services & Fees (check box, add fee as appropriate)
- | | |
|--|----------|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> Adult Signature Required | \$ _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ |

Postmark
Here

Postage

\$ Total _____
\$ Sent _____
Street _____
City, _____

**MERIT ENERGY PARTNERS III LP
13727 NOEL ROAD, STE 1200
DALLAS TX 75240**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**MRC PERMIAN LKE CO LLC
5400 LBJ FWY STE 1500
DALLAS, TX 75240**

1775-SMITH RANCH SWD #2



9590 9402 4693 8323 9948 53

2. Article Number (Transfer from service label)

7018 1830 0000 8887 8407

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

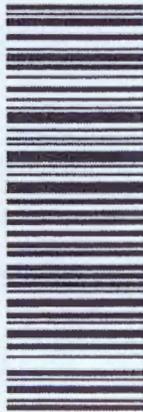
- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®



7018 1830 0000 8887 8407
7018 1830 0000 8887 8407

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only**

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$

Tot

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Se

St

City

**MRC PERMIAN LKE CO LLC
5400 LBJ FWY STE 1500
DALLAS, TX 75240**

1775-SMITH RANCH SWD #2

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | | | | | | | | | | | | | | | | |
|--|--|---|---|--|---|---|--|---|---|--|--|--|---|---------------------------------------|--|--|--|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature X</p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> | | | | | | | | | | | | | | | | |
| 1. Article Addressed to: | B. Received by (Printed Name) C. Date of Delivery | | | | | | | | | | | | | | | | |
| <p>MAGNUM HUNTER PRODUCTION INC 600 N MARIENFELD STREET, STE 600 MIDLAND TX 79701</p> <p>1775-SMITH RANCH SWD #2</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> | | | | | | | | | | | | | | | | |
|  9590 9402 4693 8323 9948 46 | <p>3. Service Type</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | <input type="checkbox"/> Insured Mail | | <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |
| <input checked="" type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | | | | | | | | | | | | | | | | | |
| <p>2. Article Number (Transfer from service label)</p> <p>7018 1830 0000 8887 8414</p> | <p>Domestic Return Receipt</p> | | | | | | | | | | | | | | | | |

PS Form 3811, July 2015 PSN 7530-02-000-9053

| U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only | | | | | | | | | | | |
|--|--|----------|--|----------|---|----------|---|----------|--|----------|------------------|
| For delivery information, visit our website at www.usps.com ®. | | | | | | | | | | | |
| OFFICIAL USE | | | | | | | | | | | |
| <p>Certified Mail Fee \$ _____</p> <p>Extra Services & Fees (check box, add fee as appropriate)</p> <table border="0"> <tr> <td><input type="checkbox"/> Return Receipt (hardcopy)</td> <td>\$ _____</td> </tr> <tr> <td><input type="checkbox"/> Return Receipt (electronic)</td> <td>\$ _____</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td>\$ _____</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Required</td> <td>\$ _____</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td>\$ _____</td> </tr> </table> | <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ | <input type="checkbox"/> Return Receipt (electronic) | \$ _____ | <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ | <input type="checkbox"/> Adult Signature Required | \$ _____ | <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ | Postmark Here |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ _____ | | | | | | | | | | |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ | | | | | | | | | | |
| <input type="checkbox"/> Adult Signature Required | \$ _____ | | | | | | | | | | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ | | | | | | | | | | |
| Postage \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ | <p>MAGNUM HUNTER PRODUCTION INC 600 N MARIENFELD STREET, STE 600 MIDLAND TX 79701</p> <p>1775-SMITH RANCH SWD #2</p> | | | | | | | | | | |
| PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions | | | | | | | | | | | |

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL®



7018 1830 0000 8887 8414
 7018 1830 0000 8887 8414

LONQUIST & CO. LLC

AUSTIN
HOUSTON

PETROLEUM
ENGINEERS

ENERGY
ADVISORS

WICHITA
CALGARY

www.lonquist.com

January 24, 2019

Americo Oil & Gas Prod. Co. LTD
7575 San Felipe #200
Houston, TX 77063

Subject: Smith Ranch SWD No. 2 Authorization to Inject

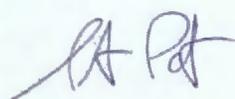
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Any questions should be directed towards 3Bear Field Services LLC's agent, Lonquist & Co., LLC.

Regards,



Stephen L. Pattee, P.G.
Regulatory Manager
Lonquist & Co., LLC

(512) 600-1774
steve@lonquist.com

LONQUIST & CO. LLC

AUSTIN
HOUSTON

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ADVISORS

WICHITA
CALGARY

www.lonquist.com

January 24, 2019

Burlington Resources Oil & Gas Co. LP
PO Box 51810
Midland, TX 79710

Subject: Smith Ranch SWD No. 2 Authorization to Inject

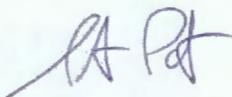
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January 24, 2019

Chisholm Energy Agent Inc.
801 Cherry St. Suite 1200 Unit 20
Fort Worth, TX 76102

Subject: Smith Ranch SWD No. 2 Authorization to Inject

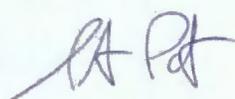
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January 24, 2019

Chisholm Energy Operating, LLC
801 Cherry Street
Fort Worth, TX 76102

Subject: Smith Ranch SWD No. 2 Authorization to Inject

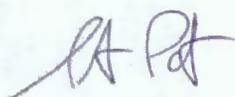
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January 24, 2019

Cimarex Energy Co. of Colorado
202 S. Cheyenne Ave. Suite 1000
Tulsa, OK 74102

Subject: Smith Ranch SWD No. 2 Authorization to Inject

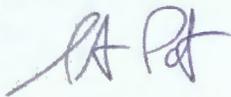
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January 24, 2019

EOG Resources Inc.
PO Box 4362
Houston, TX 77210

Subject: Smith Ranch SWD No. 2 Authorization to Inject

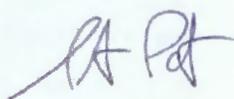
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January 24, 2019

Fasken Oil & Ranch LTD
6101 Holiday Hill Road
Midland, TX 79707

Subject: Smith Ranch SWD No. 2 Authorization to Inject

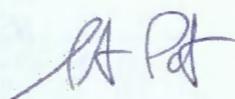
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January 24, 2019

Kenneth Smith Inc.
207 Smith Ranch Rd.
Hobbs, NM 88240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

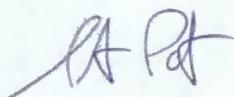
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January 24, 2019

Linn Energy Holdings, LLC
600 Travis St. Suite 1400
Houston, TX 77002

Subject: Smith Ranch SWD No. 2 Authorization to Inject

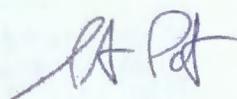
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January 24, 2019

Magnum Hunter Production Inc.
600 N Marienfeld Street, Suite 600
Midland, TX 79701

Subject: Smith Ranch SWD No. 2 Authorization to Inject

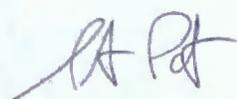
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January 24, 2019

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202 S. Cheyenne Ave. Suite 1000
Tulsa, OK 74102

Subject: Smith Ranch SWD No. 2 Authorization to Inject

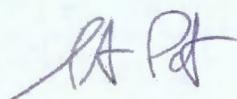
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January 24, 2019

Matador Production Company
One Lincoln Centre 5400 LBJ Freeway, Suite 1500
Dallas, TX, 75240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

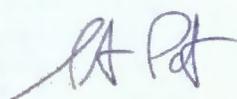
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(512) 600-1774
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January 24, 2019

Merit Energy Partners D-III
13727 Noel Rd. Suite 1200
Dallas, TX 75240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

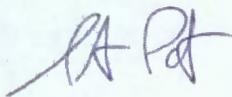
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January 24, 2019

Merit Energy Partners III LP
1327 Noel Rd. Suite 1200
Dallas, TX 75240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

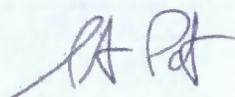
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January 24, 2019

Merit Management Partners I LP
13727 Noel Rd. Suite 500
Dallas, TX 75240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

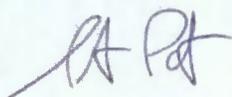
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January 24, 2019

MRC Permian LKE Co. LLC
5400 LBJ FWY Suite 1500
Dallas, TX 75240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

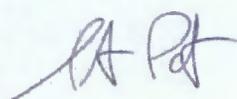
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January 24, 2019

OIL CONSERVATION DIVISION
DISTRICT I
1625 N FRENCH DRIVE
HOBBS, NM 88240

Subject: Smith Ranch SWD No. 2 Authorization to Inject

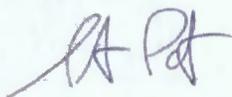
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Lonquist & Co., LLC

(512) 600-1774
steve@lonquist.com

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No
- II. OPERATOR: 3Bear Field Service, LLC
ADDRESS: 415 W. Wall St., Suite 1212
CONTACT PARTY: Kevin Burns PHONE: 432-686-2973
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Ramona Hovey TITLE: Consulting Engineer – Agent for 3Bear Field Service
SIGNATURE: Ramona K Hovey DATE: 1/24/2019
E-MAIL ADDRESS: ramona@lonquist.com
- * 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

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

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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: 3Bear Field Services, LLC

WELL NAME & NUMBER: Smith Ranch SWD No. 2

WELL LOCATION: 1,297 FNL 1,154 FEL
FOOTAGE LOCATION

A
UNIT LETTER

25
SECTION

19S
TOWNSHIP

33E
RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 26.000"

Casing Size: 20.00"

Cemented with: 2,515 gx

or _____ ft³

Top of Cement: surface

Method Determined: circulation

Intermediate Casing

Hole Size: 17.500"

Casing Size: 13.375"

Cemented with: 1,810 gx

or _____ ft³

Top of Cement: surface

Method Determined: circulation

Production Casing

Hole Size: 12.250"

Casing Size: 9.625"

Cemented with: 2,555 gx

or _____ ft³

Top of Cement: surface

Method Determined: circulation

Production Liner

Hole Size: 8.750"

Casing Size: 7.625"

Cemented with: 365 gx

or _____ ft³

Top of Cement: 10.630'

Method Determined: calculation

Total Depth: 15.800'

Injection Interval

14.471' feet to 15.800 feet

(Open Hole)

INJECTION WELL DATA SHEET

Tubing Size: 5.5", 20 lb/ft, HCN-80, BTC from 0' - 14,421'

Lining Material: Duoline

Type of Packer: 7-5/8" X 5-1/2" Permanent Packer with High Temp Elastomer and Full Inconel 925 trim

Packer Setting Depth: 14,421'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

If no, for what purpose was the well originally drilled?

2. Name of the Injection Formation: Devonian, Fusselman, Montoya

3. Name of Field or Pool (if applicable): SWD; Devonian-Silurian 97869

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

No, new drill.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

Delaware: 5,295'

Bone Spring: 8,030'

Wolfcamp: 10,880'

Strawn: 12,080'

Atoka: 12,330'

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

HOBBS OGD AMENDED REPORT
JAN 09 2019
RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|--|--|
| ¹ Operator Name and Address 3BEAR FIELD SERVICES, LLC 1512 LARIMER ST., SUITE 540 DENVER, CO 80202 | | ² OGRID Number 372603 |
| ⁴ Property Code 322498 | | ³ API Number 30-025-45470 |
| ⁵ Property Name SMITH RANCH SWD | | ⁶ Well No. 2 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 25 | 19S | 33E | | 1297 | NORTH | 1154 | EAST | LEA |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | | | | | | | | | |

9. Pool Information

| | |
|-------------------------------------|--------------------|
| Pool Name SWD; DEVONIAN-SILURIAN | Pool Code 97869 |
|-------------------------------------|--------------------|

Additional Well Information

| | | | | |
|-------------------------------|---|--|--|---|
| ¹¹ Work Type N | ¹² Well Type S | ¹³ Cable/Rotary R | ¹⁴ Lease Type S | ¹⁵ Ground Level Elevation 3253 |
| ¹⁶ Multiple YES | ¹⁷ Proposed Depth 15,800' | ¹⁸ Formation SILURO-DEVONIAN | ¹⁹ Contractor JDC DRILLING | ²⁰ Spud Date UPON APPROVAL OF C-108 |
| Depth to Ground water 110' | Distance from nearest fresh water well 4774' | | Distance to nearest surface water 18,725 (LAGUNA TONTO) | |

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|---------------------|-----------|-------------|------------------|---------------|-----------------|---------------|
| SURF | 26" | 20.0" | 94# J-55 | 1500 | 2515 | 0 |
| INTER(1) | 17.5" | 13.375" | 54.5# J-55 | 3400 | 1810 | 0 |
| <i>PROD</i> INTER 2 | 12.25" | 9.625" | 40# L-80 HC | 10880 | 2555 | 0 |

Casing/Cement Program: Additional Comments

LINER/8.75"/7.625"/39# P-110 UFJ/14471/365 SXS/TOC @ 10630'; OPEN HOLE FROM 14472'-15800'; PLEASE SEE ATTACHED WBD

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------|------------------|---------------|--------------|
| | SEE ATTACHMENT | | |

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC if applicable.

Signature: *Jennifer Elrod*

Printed name: JENNIFER ELROD

Title: SR. REGULATORY TECH

E-mail Address: jelrod@chisholmenergy.com

Date: 08/27/2018

Phone: 817-953-3728

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: *01/09/19*

Expiration Date: *01/09/21*

Conditions of Approval Attached

**See Attached
Condition of Approval**

District I
1825 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
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Phone: (505) 334-6178 Fax: (505) 334-6170
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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

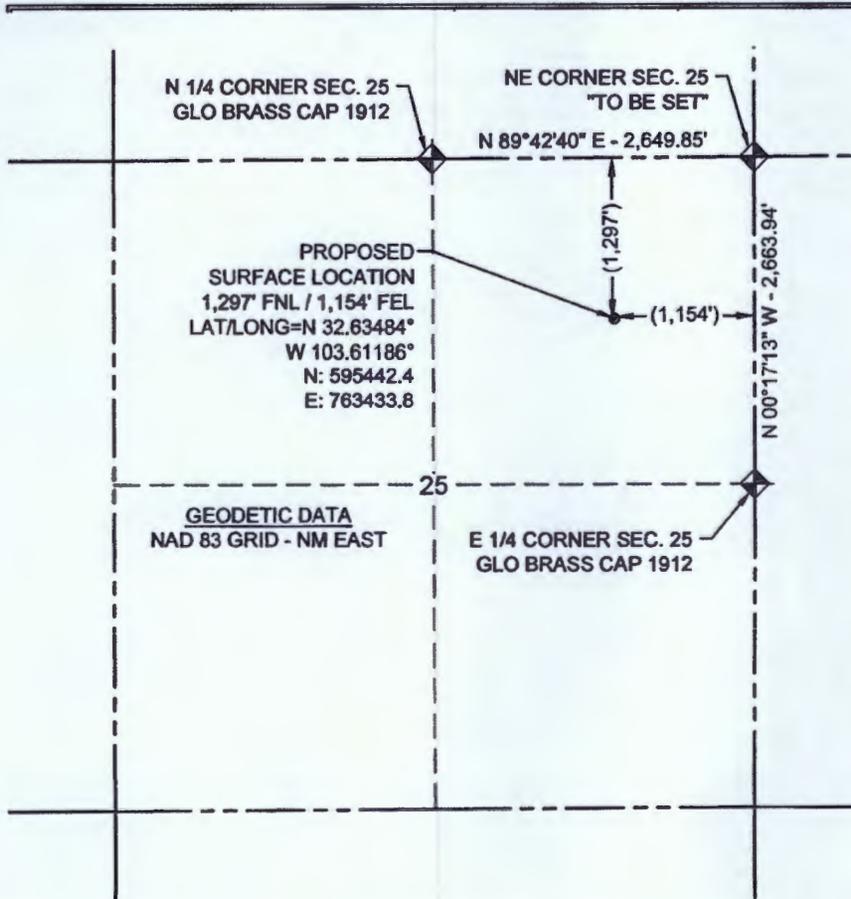
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | | | | | |
|--|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|--------------------------|----------------|--------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name | | | | | |
| | | 97869 | | SWD; DEVONIAN-SILURIAN | | | | | |
| ⁴ Property Code | | ⁵ Property Name | | | | | ⁶ Well Number | | |
| | | SMITH RANCH SWD | | | | | 2 | | |
| ⁷ OGRID No. | | ⁸ Operator Name | | | | | ⁹ Elevation | | |
| 372603 | | 3BEAR FIELD SERVICES, LLC | | | | | 3253' | | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. A | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| NE 1/4 | 25 | 19S | 33E | | 1,297 | NORTH | 1,154 | EAST | LEA |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| ¹² Dedicated Acres | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ Order No. | | | |
| | | | | | | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jennifer Elrod 09/13/2018
Signature Date

JENNIFER ELROD
Printed Name

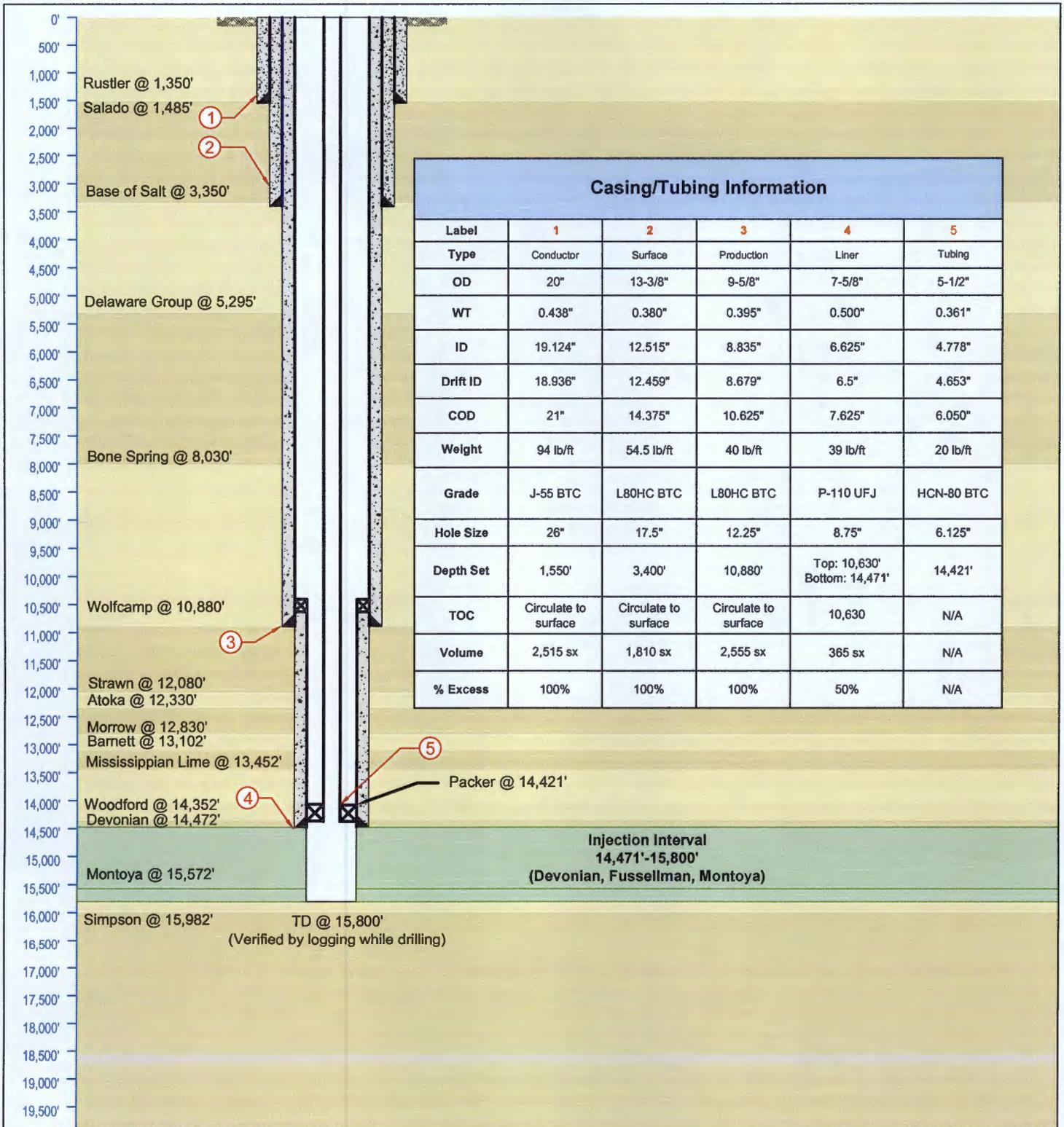
jelrod@chisholmenergy.com
E-mail Address

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

5/14/18
Date of Survey

Joshua A. McGinn
Signature and Seal of Professional Surveyor

24516
Certificate Number



| Casing/Tubing Information | | | | | |
|---------------------------|----------------------|----------------------|----------------------|---------------------------------|------------|
| Label | 1 | 2 | 3 | 4 | 5 |
| Type | Conductor | Surface | Production | Liner | Tubing |
| OD | 20" | 13-3/8" | 9-5/8" | 7-5/8" | 5-1/2" |
| WT | 0.438" | 0.380" | 0.395" | 0.500" | 0.361" |
| ID | 19.124" | 12.515" | 8.835" | 6.625" | 4.778" |
| Drift ID | 18.936" | 12.459" | 8.679" | 6.5" | 4.653" |
| COD | 21" | 14.375" | 10.625" | 7.625" | 6.050" |
| Weight | 94 lb/ft | 54.5 lb/ft | 40 lb/ft | 39 lb/ft | 20 lb/ft |
| Grade | J-55 BTC | L80HC BTC | L80HC BTC | P-110 UFJ | HCN-80 BTC |
| Hole Size | 26" | 17.5" | 12.25" | 8.75" | 6.125" |
| Depth Set | 1,550' | 3,400' | 10,880' | Top: 10,630' Bottom: 14,471' | 14,421' |
| TOC | Circulate to surface | Circulate to surface | Circulate to surface | 10,630 | N/A |
| Volume | 2,515 sx | 1,810 sx | 2,555 sx | 365 sx | N/A |
| % Excess | 100% | 100% | 100% | 50% | N/A |

| | | | |
|--|----------------------------|------------------------------|--------------------|
| LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS HOUSTON CALGARY AUSTIN WICHITA DENVER | 3Bear Field Services, LLC | Smith Ranch SWD No. 2 | |
| | Country: USA | State/Province: New Mexico | County/Parish: Lea |
| Location: | Site: 1,297 FNL, 1,154 FEL | Survey: S25-T19S-R33E | |
| API No: N/A | Field: | Well Type/Status: SWD | |
| Texas License F-9147 | NMOC District No: 1 | Project No: | Date: 01/23/2019 |
| 12912 Hill Country Blvd. Ste F-200 Austin, Texas 78738 Tel: 512.732.9812 Fax: 512.732.9816 | Drawn: TFM | Reviewed: | Approved: |
| | Rev No: 1 | Notes: | |



3Bear Field Services, LLC

Smith Ranch SWD No. 2

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

| Well information | |
|------------------|-------------------------|
| Lease Name | Smith Ranch SWD |
| Well No. | 2 |
| Location | S-25 T-19S R-33E |
| Footage Location | 1,297' FNL & 1,154' FEL |

2.

a. Wellbore Description

| Casing Information | | | | |
|--------------------|----------|--------------|------------|-----------------|
| Type | Surface | Intermediate | Production | Liner |
| OD | 20" | 13.375" | 9.625" | 7.625" |
| WT | 0.438" | 0.38" | 0.395" | 0.500" |
| ID | 19.124" | 12.615" | 8.835" | 6.625" |
| Drift ID | 18.936" | 12.459" | 8.679" | 6.500" |
| COD | 21" | 14.375" | 10.625" | 7.625" |
| Weight | 94 lb/ft | 54.5 lb/ft | 40 lb/ft | 39 lb/ft |
| Grade | J-55 BTC | L80HC BTC | L80HC BTC | P-110 UFJ |
| Hole Size | 26" | 17.5" | 12.25" | 8.75" |
| Depth Set | 1,550' | 3,400' | 10,880' | 10,630'-14,471' |

b. Cementing Program

| Cement Information | | | | |
|---------------------|----------------------|----------------------|----------------------|----------|
| Casing String | Surface | Intermediate | Production | Liner |
| Lead Cement | Class C | Class C | Class H | |
| Lead Cement Volume | 1,620 sks | 1,485 sks | 1,575 sks | |
| Lead Cement Density | 12.2 ppg | 12.7 ppg | 12.7 ppg | |
| Tail Cement | Class C | Class C | Class H | Class H |
| Tail Cement Volume | 895 sks | 655 sks | 980 sks | 365 sks |
| Tail Cement Density | 14.8 ppg | 14.8 ppg | 14.5 ppg | 14.5 ppg |
| Cement Excess | 100% | 100% | 100% | 50% |
| TOC | Surface | Surface | Surface | 10,630' |
| Method | Circulate to Surface | Circulate to Surface | Circulate to Surface | Logged |

3. Tubing Description

| Tubing Information | |
|--------------------|------------|
| OD | 5.5" |
| WT | 0.361" |
| ID | 4.778" |
| Drift ID | 4.653 |
| COD | 6.050" |
| Weight | 20 lb/ft |
| Grade | HCN-80 BTC |
| Depth Set | 0-14,421' |

Tubing will be lined with Duoline.

4. Packer Description

7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer and Full Inconel 925 trim

B. Completion Information

1. Injection Formation: Devonian, Silurian, Fusselman, Montoya

2. Gross Injection Interval: 14,471'-15,800'

Completion Type: Open Hole

3. Drilled for injection.

4. See the attached wellbore schematic.

5. Oil and Gas Bearing Zones within area of well:

| Formation | Depth |
|-------------|---------|
| Delaware | 5,295' |
| Bone Spring | 8,030' |
| Wolfcamp | 10,880' |
| Strawn | 12,080' |
| Atoka | 12,330' |

VI. Area of Review

No wells within the area of review penetrate the proposed injection zone.

VII. Proposed Operation Data

1. Proposed Daily Rate of Fluids to be Injection:

Average Volume: 20,000 BPD

Maximum Volume: 25,000 BPD

2. Closed System

3. Anticipated Injection Pressure:

Average Injection Pressure: 2,171 PSI (surface pressure)

Maximum Injection Pressure: 2,895 PSI (surface pressure)

4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Bone Spring and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Bone Spring, Wolfcamp, Artesia, Pennsylvanian, San Andreas, and Delaware formations.

5. The disposal interval is non-productive. No water samples are available from the surrounding area.

VIII. Geological Data

Devonian Formation Lithology:

The Devonian formation is a dolomitic ramp carbonate that occurs below the Woodford shale and above the Fusselman formation. Strata found in the Devonian formation include two major groups, the Wristen Buildups and the Thirtyone Deepwater Chert, with the Wristen being more abundant. The Wristen Groups is composed of mixed limestone and dolomites with mudstone to grainstone and boundstone textures. Porosity in the Wristen group is a result of both primary and secondary development. Present are moldic, vugular, karstic (including collapse breccia) features that allow for higher porosities and permeabilities. The Thirtyone Formation contains two end-member reservoir facies, skeletal packstones/grainstones and spiculitic chert, with most of the porosity and permeability found in the coarsely crystalline cherty dolomite. These particular characteristics allow for this formation to be a tremendous Salt Water Disposal horizon.

Fusselman Formation Lithology:

The Silurian/Ordovician Fusselman Formation is stratigraphically below the Wristen Group and is above and separated from the Montoya Formation by the Sylvan Shale. The Sylvan Shale is the lower confining layer for the proposed Smith Ranch SWD No. 2 well. Fusselman facies include a laminated skeletal wackestone in the upper part and a buildup complex in the lower part composed of ooid and bryozoan grainstones. These grainstones can also be potentially prolific zones for disposal.

Montoya Formation Lithology:

The Montoya Group of Late Ordovician age unconformably overlies the Simpson Group. The Montoya is composed of light gray to medium-dark gray, fine- to medium-crystalline, calcareous dolomite, some units of which are interbedded with shale or dark-gray limestone and some units of which contain white to very light-gray chert. The Montoya carbonate limestone dolomite sequence is dense, impermeable, and non-porous.

A. Injection Zone: Siluro-Devonian Formation

| Formation | Depth |
|--------------------|--------------|
| Rustler | 1,500' |
| Salado | 1,485' |
| Delaware | 5,295' |
| Bone Spring | 8,030' |
| Wolfcamp | 10,880' |
| Strawn | 12,080' |
| Atoka | 12,330' |
| Morrow | 12,830' |
| Barnett | 13,102' |
| Mississippian Lime | 13,452' |
| Woodford | 14,352' |
| Devonian | 14,472' |
| Montoya | 15,572' |
| Simpson | 15,982' |

B. Underground Sources of Drinking Water

One water well exists within one mile of the proposed well. Across the area, fresh water wells are usually drilled between 50' and 850' in depth. The Rustler is known to exist in this general area and may also be another USDW and will be protected through the top of the Salado Formation at 1,485' by setting surface casing at 1,550'.

IX. Proposed Stimulation Program

No stimulation program planned.

X. Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI. Chemical Analysis of Fresh Water Wells

Attached is a map of the one (1) water well that exist within one mile of the well location. Samples from the well have been obtained and analysis results will be provided as soon as possible. A Water Right Summary from the New Mexico Office of the State Engineer is attached for water well CP-00658-POD1.