DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
12/28/2015		PRG	12/28/2015	SWD	pMAM1536258742

ABOVE THIS LINE FOR DIVISION USE ONLY

need Permian Basin pool

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

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

- SWD 1610
- R360 Permian Basin LLC
289936
- well
- Gnome East SWD #1
30-015-Pending

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

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

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

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

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

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

Print or Type Name	Signature	Title	Date
C.S. RUANE		DIR of ENGINEERING	12/21/15

chris@wcnx.org
e-mail Address

RECEIVED OCD
2015 DEC 28 P 3:20

WASTE CONNECTIONS, INC.
Connect with the Future®

December 22, 2015

Mr. William Jones, Bureau Chief
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Gnome East SWD #1, 360 Permian Basin LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Mr. Jones,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well (Gnome East SWD #1) in Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, in Eddy County, New Mexico. The well will be located 220' FSL and 305' FWL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 15,550 and 16,550 feet. Notification and a copy of the permit application were sent to the NMOCD District 2 office in Artesia, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

cc: Randy Dade– OCD District 2

Enc/

GNOME EAST SWD WELL #1

PERMIT APPLICATION

Unit D (NW/4, NW/4), Section 35

Township 23 South, Range 30 East

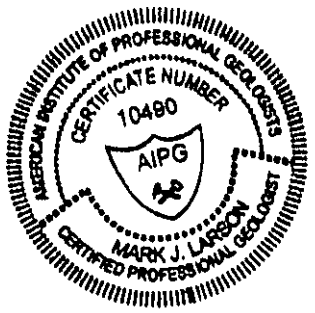
Eddy County, New Mexico

LAI Project No. 15-0126-00

December 22, 2015

Prepared for:

R360 Permian Basin, LLC
3 Waterway Square Place, Suite 110
The Woodlands, Texas 79705



Prepared by:

Larson & Associates, Inc.
507 North Marienfeld, Suite 205
Midland, Texas 79701

Mark J. Larson

Certified Professional Geologist #10490

Michael T. Gant

Staff Geologist

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: R360 Permian Basin, LLC (a wholly owned subsidiary of Waste Connections, Inc.)

ADDRESS: 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380

CONTACT PARTY: Chris Ruane, Director of Engineering PHONE: (832) 442-2204

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: C. S. RUANE TITLE: DIR OF ENGINEERING

SIGNATURE: C S Ruane DATE: 12/01/15

E-MAIL ADDRESS: chrisr@wcnx.org

* 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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

ATTACHMENT III

Injection Well Data Sheet

Gnome East SWD #1 Drilling Plan

1. **Location**:

   Legal: 220' FNL 305' FWL Unit D (NW/4, NW/4) Section 35, Township 23 South, Range 30 East

   Eddy County, New Mexico

   GPS: 32.2680528° -103.8593083°

   O&G Lease#: NMNM-0531277A

2. **Elevation Above Sea Level:**

3. **Geologic Name of Surface Formation:** Alluvium

4. **Proposed Drilling Depth:** 16,550'

5. **Estimated Tops of All Geologic Formations:**

Formation	Estimated Top (feet)	Bearing
Triassic		<10' of perched water @ 40' BGS
Dewey Lake	430	
Salado	520	N/A
Tansil	N/A	N/A
Yates	N/A	N/A
Capitan	N/A	N/A
Delaware Mountain	3830	Hydrocarbons
Bone Spring	7660	Hydrocarbons
Wolfcamp	10,960	Hydrocarbons
Strawn	12,570	Hydrocarbons
Atoka	12,840	Hydrocarbons
Morrow	13,320	Hydrocarbons
Barnett	14,330	Hydrocarbons
Mississippian Lime	14,940	Hydrocarbons
Woodford Shale	15,340	Hydrocarbons
Devonian (Target)	**15,550**	**N/A**
Montoya		N/A
Simpson		N/A
Ellenberger		N/A

6. **Proposed Casing Program:**

Name	Hole (inches)	Size (inches)	Setting Depth (Feet)	Grade	Weight (lbs/ft)	Thread	Condition	Burst SF	Coll. SF	Ten. SF
Surface	26	20	1060	J55	106.4	LTC	New	1.2	1.125	1.6
1st Intermediate	17 ½	13 3/8	3,500	J55	68	LTC	New	1.2	1.125	1.6
2nd Intermediate	12 ¼	9 5/8	10,960	L80	53.5	LTC	New	1.2	1.125	1.6
Production	8 ½	7	0-120	HCL80	35	LTC	New	1.2	1.125	1.6
Production	8 ½	7	120-12,230	P-110	29	LTC	New	1.2	1.125	1.6
Production	8 ½	7	12,230-15,550	HCL80	35	LTC	New	1.2	1.125	1.6
Tubing	$5\frac{7}{8}$	4 ½	0-5,000	P-110	11.6	LTC	New	1.2	1.125	1.6
Tubing	$5\frac{7}{8}$	4 ½	5,000-15,550	L-80	11.6	LTC	New	1.2	1.125	1.6
Open Hole	5.875		15,550-16,550	NA	NA	NA	NA			

7. **Drilling Procedure**: Spud well and drill down each interval to total depth of that interval, staying in compliance with OCD/BLM rules and regulations and following this APD drilling plan. Each casing string will be cemented and cement will be circulated to surface. There are DV Tools in the casing strings to insure getting cement all the way to surface. Mud weights are spelled out below in paragraph 10 – Types and Characteristics of mud system. After reaching total casing depth of 15,550', OH Logs (Paragraph 12) will be run 15,550'-10,960' GR-CNL to surf, we will cement the 7" as spelled out in this APD. We will pick up a 5 7/8" bit to drill the injection interval for the open-hole completion; OH logs (see Paragraph 12) will be run TD-15,550'. The depths from 15,550' to 16,550' will not have a casing string, thus an "open-hole" completion. The Devonian target zone for injecting is a depleted zone considered to be under pressured and will be drilled with cut brine 8.4-8.9 PPG. The injection tubing will be set to depth of 15,550' inside the 7". All intervals will be logged prior to running casing per BLM/OCD requirements.

8. **Pressure Controls**:A 10M 13-5/8" BOP system (Double Ram and Annular preventer) and 2 power chokes installed on manifold and 1 manual choke per BLM Onshore Order 2, will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be test per BLM Onshore Oil and Gas Order 2.

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be test per BLM Onshore Oil and Gas Order 2.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories, include a Kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

9. **Cement Program:**

Surface: Float/Landing Collar set @ 1015'. We will circulate cement to surface

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft^3/sx	Volume (ft^3)	Cement Type
Lead	820	700	100	13.5	1.69	1386	Class C + 2% Gel + 0.2% Antifoam + 0.125 lb/sk Polyflake
Tail	580	360	100	14.8	1.33	771	Class C + 0.125 lb/sk Polyflake

1st Intermediate: Stage 1 Float/Landing Collar set @ 1800, Stage 2 Collar set @ 1,800'. We will circulate cement to surface.

13 3/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust DVT depth per circulation requirements. The current estimated setting is 1800' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft^3/sx	Volume (ft^3)	Cement Type
Stage 1 Lead	284	500'	100	11.9	2.45	695	Class C + 2% Sodium Metasilicate + 0.1% Dispersant + 0.2% Antifoam + 0.2% Retarder
Stage 1 Tail	652	600'	100	14.8	1.33	868	Class C + 0.125 lbs/sk Polyflake
Stage 2 Lead	804	1550'	100	11.9	2.45	1969	Class C + 2% Sodium Metasilicate + 0.1% Dispersant + 0.2% Antifoam
Stage 2 Tail	259	250'	100	14.8	1.34	348	Class C + 1% Calcium Chloride + 0.125 lbs/sk Polyflake

2nd Intermediate: Stage 1 Float/Landing Collar set @ 10,915', Stage 2 Collar set @ 3830'

9 5/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 3830' and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft^3/sx	Volume (ft^3)	Cement Type
Stage 1 Lead	513	2700	50	11	2.47	695	TXI + 2% Sodium Metasilicate + 0.2 % Dispersant + 0.2% Antifoam + 0.4% Retarder
Stage 1 Tail	237	600	50	14.8	1.33	868	Class C + 0.3% Retarder + 0.2% Antifoam
Stage 2 Lead	1252	7360	50	11.9	2.45	1969	Class C + 2% Sodium Metasilicate + 0.2 % Dispersant + 0.2% Antifoam + 0.4% Retarder
Stage 2 Tail	106	300	50	14.8	1.34	141	Class C + 1% Calcium Chloride + 0.125 lbs/sk Polyflake

Production: Stage 1 Float/Landing Collar set @ 15,505', Stage 2 Collar set @ 10,600', Stage 3 Collar set @ 7660'. We will circulate cement to surface.

7" Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 7660' and 10,600' cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

Interval	Amount (sacks)	Ft of Fill	Excess (%)	PPG	Ft^3/sx	Volume (ft^3)	Cement Type
Stage 1 Lead	653	4450	50	13.5	1.29	842	TXI + 1.5 gal/sk GASBLOK +0.08 gal/sk D80 Dispersant + 0.04 gal/sk D801 Retarder + 0.05 gal/sk D175A Antifoam + 2% D176 Expanding Agent
Stage 1 Tail	141	600	50	16.4	1.09	130	Class H + 0.4% D167 Fluid loss + 0.3% D800 Retarder + 2% D176 Expanding agent
Stage 2 Lead	305	4834	25	11.5	2.39	728	TXI + 10% D154 Extender + 0.6% D112 Fluid loass + 0.1% D208 Viscosifier + 3% D174 Expanding Agent + 4 lbs/sk Mica + 0.2% D65 Dispersant
Stage 2 Tail	100	500	25	16.4	1.09	109	Class H + 0.4% D167 Fluid loss + 0.3% D800 Retarder + 2% D176 Expanding agent
Stage 3 Lead	312	4590	25	11.5	2.16	674	TXI + 1.5% D79 Sodium Metasilicate + 5% D154 Extender + 1% D112 Fluid Loss + 0.2% D65 Dispersant + 0.2% D46 Antifoam
Stage 3 Tail	65	586	25	14.8	1.34	84	Class C + 0.3% D167 Fluid loss + 0.2% D13 Retarder + 0.2% D65 Dispersant

The contingency ECP/DVT tool setting depth may change and cement will be adjusted accordingly.

10. **Type and Characteristics of Mud System:**

Depth MD/TVD (ft)	Mud Type	Mud Density (ppg)	Viscosity (sec/1000cc)	Plastic Viscosity (cP)	Yield Point ($lb/100ft^2$)	API Fluid Loss (cc)	pH	LGS %
120 – 450	New Gel/Soda Spud Mud	8.8 – 9.2	60 – 70	12 – 28	12 – 34	20	+/-9.0	<6
450 – 2,900	Brine Water	10.0 – 10.1	29 – 30	0 – 1	0 – 1	NC	9.5 – 10.0	<6
2,900 – 7660	Existing Brine to New Zan D/White Starch/ Barite	10.0 -10.1	29 – 30	0 – 1	0 – 1	NC	9.5 – 10.0	<6
7660 – 15,550		10.1 – 11.5	36 – 44	6 – 14	12 – 18	10 – 12	9.5 – 10.0	<6
15,550' 16,550	Cut brine	8.4 - 8.9	28 - 30	0 - 1	0 - 1	NC	9. – 9.5	<6

Our goal for all DVT and ECP is to run with full intentions of running the 2 stage job. This will help insure good tail cement and help insure cement to surface.

11. **Air Drilling Description:** Not applicable.

12. **Testing, Coring, and Logging Procedures:**
    A. Mud logging program: 2 man unit from 2,900' (setting depth of salt string) to TD.
    B. Electric logging program: open hole logs CNL / LDT / CAL / GR, DLL / SGR (CNL/GR from base of Intermediate casing to surface) from 15,550 to Intermediate casing and TD-15,550
    Cased Hole Logs
    CBL w/ CCL from base of Intermediate casing to surface (if cement is not circulated to surface)
    CBL w/ CCL from production casing DV tool at 8,000' to 3,000' (estimated top of cement at 4,000')
    C. No DST's or cores are planned
    D. Sonic log: not required but available if needed

13. **Expected Bottom Hole Pressure and Temperature:** 6,440 psi , 170° F.

14. **Abnormal Conditions:**

15. **H_2S Plan:** Breathing equipment will be available on location. If H_2S is encountered the operator will comply with the Onshore Oil and Gas Order No. 6. The H_2S measured amounts and formation will be reported to the BLM. Please see the attached H_2S Plan and the H_2S awareness map.

16. **Directional or Horizontal Survey:** The well is neither directional nor horizontal.

17. **Unit Well Current Unit POD:** The well is not in a unit or current unit POD.

18. **Work Schedule:** To be determined.

19. **Completion plans:** MIRU well service unit. PU 2 7/8" PH-6 work string. TIH, release retrievable bridge plug and pull out of hole. Pick up treating packer. TIH to 15,500' and set. Test back side to 1000 psi. Acidize down tubing with five stages – 8000 gallons 15% HCL each stage followed by 1500 lbs of rock salt each stage. Release packer and pull out of hole.
Trip in hole with tubing with notched collar. Circulate clean to TD. Pull out of the hole and pick up 7" Arrow Set 1X packer. Trip in the hole to 15,500'. Set blanking plug and on/off tool. Release packer and pull out of hole, laying down 2 7/8" work string. Pick up 4 ½" lined injection tubing. Trip in hole and get on on/off tool. Release packer. Space out. Reset packer. Release on/off tool again. Circulate packer fluid. Get back on on/off tool. Nipple down BOP and nipple up well head. Schedule and perform MIT on tubing casing annulus per OCD and BLM guidelines. Turn well over to R360 for plumbing up surface facilities.

Cambrian Management
EXECUTIVE SUMMARY WELLBORE DIAGRAM

WELL NAME:	R 360 Gnome East SWD 1			STATE:	New Mexico		Permit #			Job #	
LOCATION:	T 23 S, R 30 E Sec 26 NW 1/4 SW 1/4			COUNTY:	Eddy		Spud	TD	Rig Release	rig Days	
LOCATION:				DATE		Drill				0	
ELEVATION:						Complete				0	
API#							TVD	16550	PBTD		
Drill Contractor	TBD			PREPARED	A Rickard		Total Depth	16550			
	DEPTH	HOLE SIZE	CASING SIZE	WEIGHT	GRADE	THREAD	CMT	CMT VOL	TOC	centralizers	DV Depth
Conductor CASING:						See cement slurries below					
Surf CASING:	1060	26"	20"	106.4 ppf	J55	LTC	See cement tab on bottom		surface	TBD	none
1st Int CASING:	3500	17 1/2	13 3/8"	68 ppf	J-55	LTC			surface	TBD	1800
2nd Int CASING:	10960	12 1/4"	9 5/8"	53.5	L-80	LTC			surface	TBD	3830
Prod Casing	15550	8 1/2"	7"	35/29/35	CL80-P110-HCL	LTC			surface	Temp Survey	10600/7660
Tubing	15550	5 7/8"	4 1/2	11.6	P110-L80	8rnd LTC					

Water Board Depth

Last updated

Regulatory Mark Larson

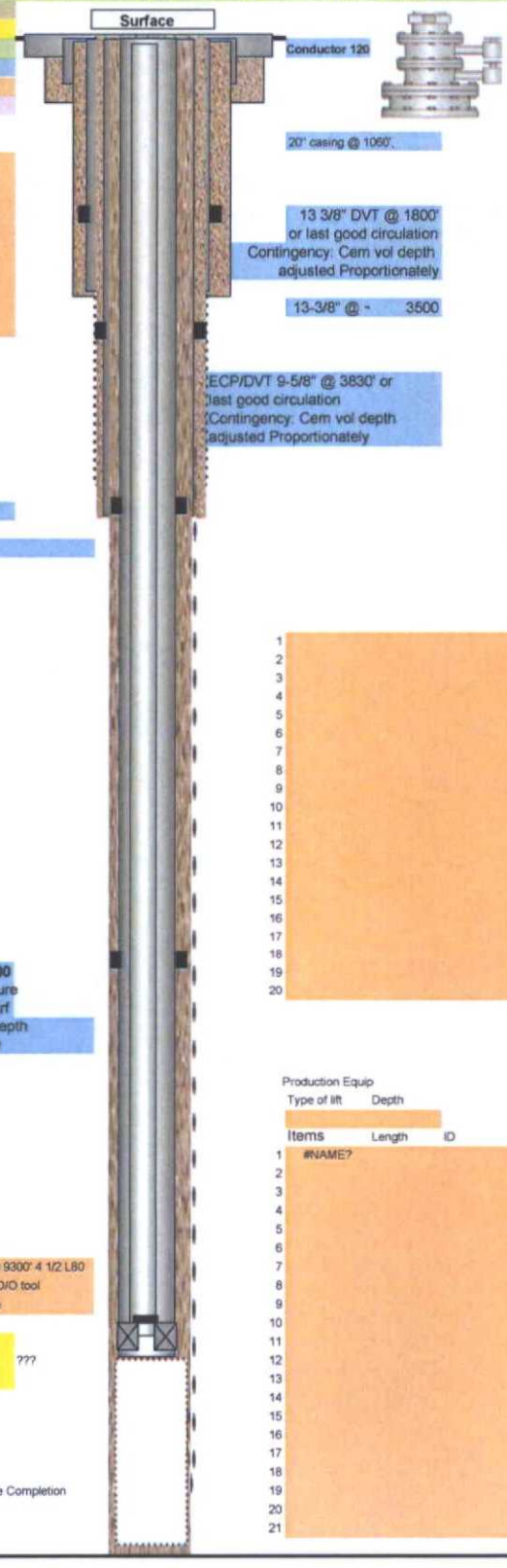
Drilling Dallas

Complete Andy

Workover

Date

Initial Potential
Oil(BOPD)
Gas (MCFD)
Water (BPD)
GOR
Flowing/Pumping
Choke
Flowing Tbg psi
Csg Pressure
Oil Gravity



	Vendor	Type	Rating
C			
B			
A			

Geology

	Formation	Depth (top)
1	Dewey Lake	430
2	Salado	520
3	Tansil	
4	Yates	
5	Capitan	
6	Delaware Mountain	3830
7	Bone Spring	7760
8	Wolfcamp	10960
9	Strawn	12570
10	Atoka	12840
11	Morrow	13320
12	Barnett	14330
13	Mississippian Lime	14940
14	Woodford Shale	15340
15	Devonian	15550
16	Montoya	
17	Simpson	
18	Ellenberger	
19	Granite	

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Production Equip

Type of lift	Depth

	Items	Length	ID	OD
1	#NAME?			
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4				
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7				
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21				

ATTACHMENT IV

The permit application is NOT an expansion of an existing project

ATTACHMENT V

Well and Lease Maps

2 mile Radius of Gnome East SWD

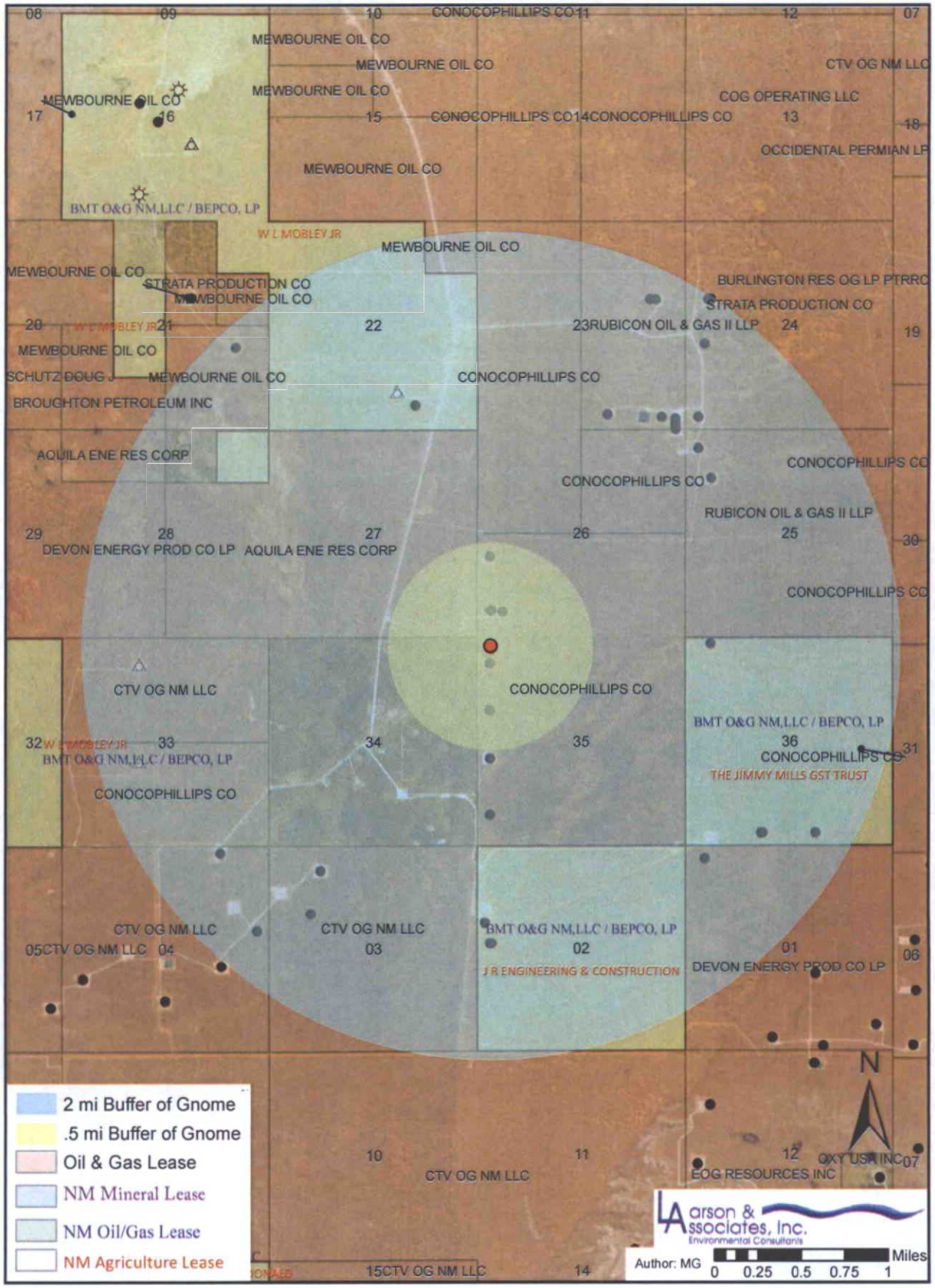


TABLE OF ACTIVE WELLS/ OPERATORS WITHIN TWO MILES OF THE PROPOSED GNOME EAST SWD #1

R360 Permian Basin, LLC

API #	Operator	Lease	Well #	County	Legal	Total depth (ft)	Well Status
30-015-33743	STRATA PRODUCTION CO	FORTY NINER RIDGE UNIT	4	EDDY	S:21,T:23S,R:30E, UNIT I	7851	ACTIVE SWD
30-015-33637	STRATA PRODUCTION CO	FORTY NINER RIDGE UNIT	6	EDDY	S:22,T:23S,R:30E, UNIT O	7900	ACTIVE SWD
30-015-42708	MEWBOURNE OIL CO	FORTY NINER RIDGE UNIT	103H	EDDY	S:22,T:23S,R:30E, UNIT O		NEW OIL
30-015-43359	STRATA PRODUCTION CO	FORTY NINER RIDGE UNIT	34	EDDY	S:22,T:23S,R:30E, UNIT L		NEW OIL
30-015-40615	CIMAREX ENERGY CO.	FORTY NINER RIDGE 23 FEDERAL	1H	EDDY	S:23,T:23S,R:30E, UNIT P	9924	ACTIVE OIL
30-015-40649	CIMAREX ENERGY CO.	FORTY NINER RIDGE 23 FEDERAL	2H	EDDY	S:23,T:23S,R:30E, UNIT O	9810	ACTIVE OIL
30-015-41388	CIMAREX ENERGY CO.	FORTY NINER RIDGE 25 FEDERAL	1H	EDDY	S:23,T:23S,R:30E, UNIT P	9	NEW OIL
30-015-41426	CIMAREX ENERGY CO.	SANDY FEDERAL	20H	EDDY	S:23,T:23S,R:30E, UNIT P	9890	ACTIVE OIL
30-015-41791	CIMAREX ENERGY CO.	SANDY FEDERAL	21H	EDDY	S:23,T:23S,R:30E, UNIT P	9760	ACTIVE OIL
30-015-41792	CIMAREX ENERGY CO.	SANDY FEDERAL	22H	EDDY	S:23,T:23S,R:30E, UNIT P	11216	ACTIVE OIL
30-015-41793	CIMAREX ENERGY CO.	SANDY FEDERAL	23H	EDDY	S:23,T:23S,R:30E, UNIT P	9865	ACTIVE OIL
30-015-41794	CIMAREX ENERGY CO.	SANDY FEDERAL	24H	EDDY	S:23,T:23S,R:30E, UNIT P		NEW OIL
30-015-41809	CIMAREX ENERGY CO.	FORTY NINER RIDGE 25 FEDERAL	3H	EDDY	S:23,T:23S,R:30E, UNIT P		NEW OIL
30-015-41859	CIMAREX ENERGY CO.	FORTY NINER RIDGE 25 FEDERAL	2H	EDDY	S:23,T:23S,R:30E, UNIT P		NEW OIL
30-015-41965	CIMAREX ENERGY CO.	FORTY NINER RIDGE 25 FEDERAL	5H	EDDY	S:23,T:23S,R:30E, UNIT P		NEW OIL
30-015-42259	CIMAREX ENERGY CO.	FORTY NINER RIDGE 25 FEDERAL	4H	EDDY	S:23,T:23S,R:30E, UNIT P		NEW OIL
30-015-42080	STRATA PRODUCTION CO	ROADRUNNER FEDERAL	4H	EDDY	S:23,T:23S,R:30E, UNIT H		NEW OIL
30-015-42114	STRATA PRODUCTION CO	ROADRUNNER FEDERAL	3H	EDDY	S:23,T:23S,R:30E, UNIT H		NEW OIL
30-015-41042	STRATA PRODUCTION CO	SANDY FEDERAL	4	EDDY	S:24,T:23S,R:30E, UNIT L		NEW OIL
30-015-40055	STRATA PRODUCTION CO	SANDY FEDERAL	3	EDDY	S:24,T:23S,R:30E, UNIT M	7737	NEW OIL
30-015-21126	STRATA PRODUCTION CO	SANDY FEDERAL	1	EDDY	S:24,T:23S,R:30E, UNIT E	8100	NEW OIL
30-015-38662	STRATA PRODUCTION CO	SANDY FEDERAL	2H	EDDY	S:24,T:23S,R:30E, UNIT E	7739	NEW OIL
30-015-39361	STRATA PRODUCTION CO	ROADRUNNER FEDERAL	1H	EDDY	S:25,T:23S,R:30E, UNIT D	7708	ACTIVE OIL
30-015-41041	STRATA PRODUCTION CO	ROADRUNNER FEDERAL	2H	EDDY	S:25,T:23S,R:30E, UNIT D	7885	ACTIVE OIL
30-015-41647	OXY USA INC	FNR 26 FEDERAL	2H	EDDY	S:26,T:23S,R:30E, UNIT L	7738	ACTIVE OIL
30-015-30412	OXY USA INC	FNR 26 FEDERAL	1	EDDY	S:26,T:23S,R:30E, UNIT M	10000	ACTIVE OIL
30-015-41012	OXY USA INC	FNR 26 FEDERAL	4H	EDDY	S:26,T:23S,R:30E, UNIT M	7770	ACTIVE OIL
30-015-26084	BOPCP, L.P.	POKER LAKE UNIT	71	EDDY	S:33,T:23S,R:30E, UNIT C	7880	ACTIVE SWD
30-015-31744	BOPCP, L.P.	POKER LAKE UNIT	170	EDDY	S:33,T:23S,R:30E, UNIT K	7894	ACTIVE SWD
30-015-42275	OXY USA INC	FNR 35 FEDERAL	1H	EDDY	S:35,T:23S,R:30E, UNIT D	7767	ACTIVE OIL
30-015-42274	OXY USA INC	FNR 35 FEDERAL	2H	EDDY	S:35,T:23S,R:30E, UNIT E		NEW OIL
30-015-42298	OXY USA INC	FNR 35 FEDERAL	3H	EDDY	S:35,T:23S,R:30E, UNIT L	7821	ACTIVE OIL
30-015-42299	OXY USA INC	FNR 35 FEDERAL	4H	EDDY	S:35,T:23S,R:30E, UNIT M		NEW OIL
30-015-40371	BOPCO, L.P.	LOS MEDANOS 36 23 30 STATE	1H	EDDY	S:36,T:23S,R:30E, UNIT M	9270	ACTIVE OIL
30-015-42619	BOPCO, L.P.	LOS MEDANOS 36 23 30 STATE	2H	EDDY	S:36,T:23S,R:30E, UNIT N		NEW OIL
30-015-42672	BOPCO, L.P.	LOS MEDANOS 36 23 30 STATE	4H	EDDY	S:36,T:23S,R:30E, UNIT N		NEW OIL
30-015-42620	BOPCO, L.P.	LOS MEDANOS 36 23 30 STATE	3H	EDDY	S:36,T:23S,R:30E, UNIT O		NEW OIL
30-015-37650	DEVON ENERGY PRODUCITON COMPANY, LP	BLACK JACK 1 FEDERAL	5H	EDDY	S:1,T:24S,R:30E, UNIT D		NEW OIL
30-015-39246	BOPCO, L.P.	BIG SINKS 2 24 30 STATE	1H	EDDY	S:2,T:24S,R:30E, UNIT E	9439	ACTIVE OIL
30-015-42456	BOPCO, L.P.	BIG SINKS 2 24 30 STATE	2H	EDDY	S:2,T:24S,R:30E, UNIT E	10559	ACTIVE OIL
30-015-42457	BOPCO, L.P.	BIG SINKS 2 24 30 STATE	3H	EDDY	S:2,T:24S,R:30E, UNIT E	9859	ACTIVE OIL
30-015-39835	BOPCO, L.P.	POKER LAKE UNIT	332H	EDDY	S:3,T:24S,R:30E, UNIT D	7772	ACTIVE OIL
30-015-41039	BOPCO, L.P.	POKER LAKE UNIT	331H	EDDY	S:3,T:24S,R:30E, UNIT D	7785	ACTIVE OIL
30-015-40660	BOPCO, L.P.	POKER LAKE UNIT CVX JV RB	1H	EDDY	S:4,T:24S,R:30E, UNIT A	9040	ACTIVE OIL
30-015-39731	BOPCO, L.P.	POKER LAKE UNIT	318H	EDDY	S:4,T:24S,R:30E, UNIT H	7754	ACTIVE OIL
30-015-39834	BOPCO, L.P.	POKER LAKE UNIT	319H	EDDY	S:4,T:24S,R:30E, UNIT I	7762	ACTIVE OIL

.5 mile AOR of Gnome East SWD

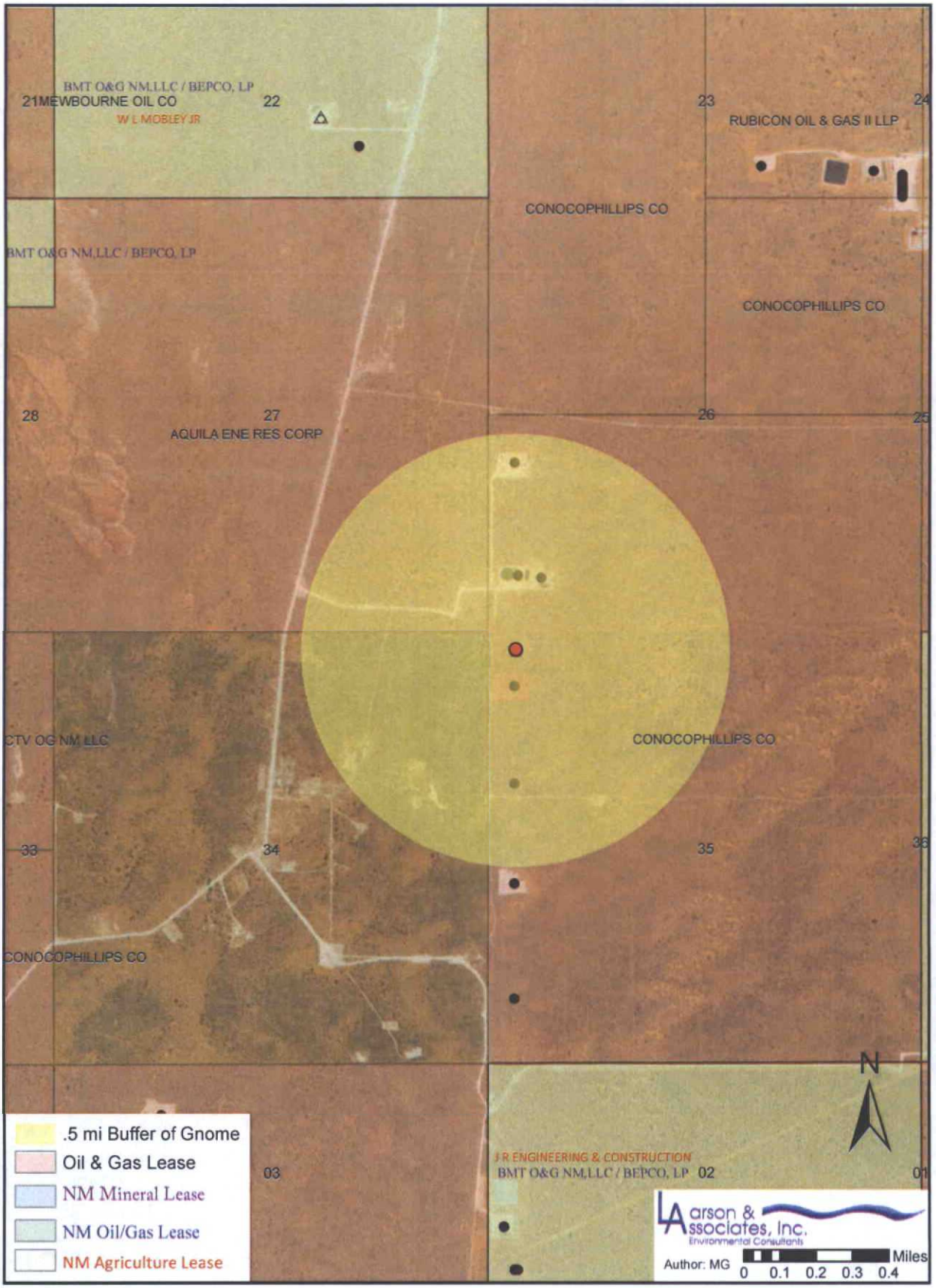


TABLE OF ACTIVE WELLS/ OPERATORS WITHIN THE AREA OF REVIEW OF THE PROPOSED GNOME EAST SWD #1

R360 Permian Basin, LLC

API #	Operator	Lease	Well #	County	Legal	Total depth (ft)	Well Status
30-015-41647	OXY USA INC	FNR 26 FEDERAL	2H	EDDY	S:26,T:23S,R:30E, UNIT L	7738	ACTIVE OIL
30-015-30412	OXY USA INC	FNR 26 FEDERAL	1	EDDY	S:26,T:23S,R:30E, UNIT M	10000	ACTIVE OIL
30-015-41012	OXY USA INC	FNR 26 FEDERAL	4H	EDDY	S:26,T:23S,R:30E, UNIT M	7770	ACTIVE OIL
30-015-42275	OXY USA INC	FNR 35 FEDERAL	1H	EDDY	S:35,T:23S,R:30E, UNIT D	7767	ACTIVE OIL
30-015-42274	OXY USA INC	FNR 35 FEDERAL	2H	EDDY	S:35,T:23S,R:30E, UNIT E		NEW OIL

JACK C. MAGEE
Independent Petroleum Landman
8805 ECR 103
605-28-1895 cell **Midland, Texas 79706** mageclaw@midconetwork.com

December 10, 2015

Mark Larson
Larson & Associates, Inc.
507 N. Marienfeld, Suite 200
Midland, TX 79702

Re: Gnome SWD #1 - Relocation
Section 35, T23S, R30E
Eddy County, NM

Dear Mr. Larson:

You asked for an revision of the Report of "owners" within ½ mile of your proposed Gnome SWD #1 disposal well being permitted in the captioned Section 35.

In this connection I examined the file prepared for the original location in Section 26, T23E, R30E, consisting of the abstract of title prepared by Schutz Abstract, the records on Basinlandrecords.com (Eddy County); the records of Caprock Abstract & Title; and the public website records of the Bureau of Land Management (BLM); the public website of the New Mexico Oil Conservation Commission (NMOCD).

Based on the material examined, I am attaching a Report of the surface owners and "affected persons" being any unleased mineral owner, or Lessee if not producing, or Operator if producing. I am also attaching copies of relevant information used in preparing the Report.

I also wish to bring to your attention that some of the Lessees named in my Report may not be current due to the lack of updated information being filed of record either with the BLM and no attempt has been made to independently tract down the heirs or devisees of any person shown of record.

Thank you and please do not hesitate to call should you have any questions or comments.

Sincerely,

Jack C. Magee

Encl.

GNOME SWD #1 - RELOCATION: OWNERS WITHIN 1/2 MILE RADIUS
EDDY COUNTY

Section 26, Township 23 South, Range 30 East, NMPM - Eddy County

Surface Owners	**SW/4, SW/4 SE/4, SW/4 NW/4**
	United States Dept of the Interior Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, NM 88220
Oil & Gas Lessees/Operators	**SW/4 NW/4**
	Lease NM 0543352 issued 6/1/1964.
	Operating Rights Owners
	OXY USA, Inc. P.O. Box 27570 Houston, TX 77227
	ConocoPhillips Co. P.O. Box 7500 Bartlesville, OK 74005
Note:	This Lease was suspended effective 9/1/1977 for the convervation of Potash. The suspension is indefinite.
	SW/4, SW/4 SE/4
	Lease NM 0531277 issued 5/1/1964
	Operators
	OXY USA, Inc. P.O. Box 27570 Houston, TX 77227
	ConocoPhillips Co. P.O. Box 7500 Bartlesville, OK 74005
	SW/4, SW/4 SE/4, SW/4 NW/4
Section 26 is within the federally "Designated Potash Area".	No current Potash lease found of record.

Section 35, Township 23 South, Range 30 East, NMPM - Eddy County

Surface Owners	**NW/4, W/2 NE/4, N/2 SW/4**
	United States Dept of the Interior Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, NM 88220
Oil & Gas Lessees/Operators	**NW/4, W/2 NE/4, N/2 SW/4**
	Lease NM 0531277 issued 5/1/1964
	Operating Rights Owner(s)
	OXY USA, Inc. P.O. Box 27570 Houston, TX 77227
	ConocoPhillips Co. P.O. Box 7500 Bartlesville, OK 74005
	NW/4, W/2 NE/4, N/2 SW/4
Section 35 is within the federally "Designated Potash Area".	*No current Potash lease found of record.*

Section 27, Township 23 South, Range 30 East, NMPM - Eddy County

Surface Owners	**SE/4, SE/4 NE/4**
	United States Dept of the Interior Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, NM 88220
Oil & Gas Lessees/Operators	**SE/4, SE/4 NE/4**
	Lease NM 81622 issued 7/1/1989 **Operating Rights Owner(s)/Lessees** Devon Energy Production Company, LP 333 West Sheridan Oklahoma City, OK 73102 Khody Land & Minerals Company 3817 NW Expressway, Suite 950 Oklahoma City, OK 73112 Aquila Energy Resources 10370 Richmond Avenue Houston, TX 77042 COG Operating, LLC/ Concho Oil & Gas, LLC One Concho Center 600 West Illinois Avenue Midland, TX 79701 Exxon Mobil Oil Corporation P.O. Box 4358 Houston, TX 77210 Collins & Ware 508 West Wall Street, #1200 Midland, TX 79701 PXP Producing Company, LLC 700 Milam Street, Suite 3100 Houston, TX 77002
Note:	The ownership of the operating rights for this tract is not clear. The Schutz Takeoff stated that the ownership was not able to be determined based on the records filed with the BLM. A diligent search of the records at Caprock Abstract did not clarify the ownership ambiguities. The above-list owners appears correct based upon the records examined.
Potash Lessees	**SE/4, SE/4 NE/4**
Section 27 is within the federally "Designated Potash Area".	No current Potash lease found of record.

Section 34, Township 23 South, Range 30 East, NMPM - Eddy County

Surface Owners	**NE/4, N/2 SE/4**
	United States Dept of the Interior Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, NM 88220
Oil & Gas Lessees/Operators	**NE/4, N/2 SE/4**
	Pursuant to Public Land Order 2526, this land has been withdrawn from leasing (unleased Federal Land)

ATTACHMENT VI

No Wells Penetrate the Injection Zone within the AOR of the Proposed SWD Well

ATTACHMENT VII

Operation Summary

Well:	Gnome East SWD #1
Location:	220' FNL and 305' FWL
	Unit D (NW/4, NW/4), Section 35, Township 23 South, Range 30 East,
	Eddy County, New Mexico
Injection Zone:	Devonian
Well TD:	16,550'

Summary:

1. Proposed average daily injection rate is 16,000 bbl/day with maximum daily injection rate of 20,000 bbl/day

2. This will be a closed system

3. Proposed average injection pressure is 2,800 psi with maximum pressure of 2,800 psi

4. Source of injection fluid will be exempt liquid E & P waste

5. There are five wells that exist within ½ mile of the proposed well but they do not penetrate the injection zone. Two wells penetrating the injection interval (Remuda Basin #1 and Todd 26 G Federal #1) were reviewed to evaluate the reservoir quality for the proposed injection interval. The Remuda Basin #1 well, drilled by BOPCO, L.P., is located about 5.5 miles west of the proposed Gnome East SWD #1 well, in Unit J (NW/4, SE/4), Section 24, Township 23 South, Range 29 East, in Eddy County, New Mexico. The Todd 26 G Federal #1 well, drilled by the Devon Energy Production Company, LP is located approximately 7.8 miles east of the proposed Gnome East SWD #1 well, in Unit G (SW/4, NE/4), Section 26, Township 23 South, Range 31 East, in Eddy County, New Mexico. The James Ranch Unit #1 well was drilled to 17,555 feet (TD). The Devonian section was found not to be productive of oil and gas.

ATTACHMENT VIII

Geologic Summary

Information on geological strata for this section was derived in part from a well (James Ranch Unit #1) that was drilled about 5.4 miles northeast of the proposed Gnome East SWD #1 in Unit O (SW/4, SE/4), Section 36, Township 22 South and Range 30 East (Nicholson and Clebsch, 1961). The well was drilled a total depth (TD) of 17,555 feet. Figure 1 presents a type log based on rock descriptions from the James Ranch Unit #1 well.

The proposed SWD well is located in the Delaware Basin south of the Capitan Reef Complex. The area is underlain by a thin layer of Quaternary-age alluvium consisting of sand, silty sand, and clay that rests unconformably on Triassic-age red beds (clay, mudstone, etc.) of the Dewey Lake formation.

Permian-age rocks have a collective thickness of about 12,500 feet and underlie the Triassic-age rocks. The Permian formations include, in descending order, the Rustler, Salado, Castile, Delaware Mountain Group (Bell Canyon, Cherry Canyon and Brushy Canyon formations), Bone Springs Limestone and Wolfcamp Shale.

The Rustler formation occurs between about 500 and 1000 feet and is composed chiefly of anhydrite, dolomite, gypsum, and mudstone. The Salado and Castile formations are principally anhydrite, shale and limestone. The Salado formation contains economic deposits of potash and anhydrite and varies in thickness from about 1,500 to 2,000 feet. The Permian-age Capitan formation, also known as the Capitan aquifer, is not present at this location.

The Delaware Mountain Group includes the Bell Canyon, Cherry Canyon and Brushy Canyon formations. The Delaware Mountain Group occurs between approximately 4,000 to 7,500 feet and consists of a thick sequence of largely of deep marine sandstone interbedded with shale and limestone. Some oil and gas is produced from the Bell Canyon and Brushy Canyon formations.

The Bone Springs Limestone is comprised of thin beds of cherty black limestone and sandstone between approximately 2,000 to 3,000 feet thick. The Bone Springs occurs between approximately 7,500 and 11,000 feet near the Gnome East SWD. Oil and gas is produced from several distinct intervals in the Bone Springs Limestone. The Wolfcamp Shale is the lowermost Permian-age formation and is composed of non-organic shale between approximately 11,000 and 12,500 feet. The Wolfcamp Shale marks the boundary between rocks of Permian and Pennsylvanian-age.

Rocks of Pennsylvanian age comprise a sequence of marine carbonates, shale and clastics with a combined thickness of about 1,800 feet between about 12,500 and 14,500 feet. The Strawn formation (Upper Pennsylvanian) occurs beneath the Wolfcamp Shale and is composed of about 300 feet of shale and sandstone, mudstone and conglomerate. The Atoka and Morrow formations, in descending order, occur beneath the Strawn formation and are about 475 and 1,000 feet thick, respectively. The Atoka formation is composed of interbedded sandstone whereas the Morrow formation is composed of limestone in the upper part and clastics in the lower part.

Rocks of Mississippian age underlie the Morrow formation and are represented by the Barnett Shale and Mississippian Lime, in descending order, with a collective thickness of about 1,000 feet. The Mississippian-age rocks are underlain by the Upper Devonian-age Woodford Shale, which is approximately 200 feet thick and is composed predominately of black organic-rich marine shale, siltstone and sandstone. The Woodford Shale occurs above the Devonian section at about 15,500 feet. Rocks of Siluro-Devonian age underlie the Woodford Shale and are composed mainly of chert and cherty carbonate rocks. The Siluro-Devonian rocks occur between about 15,550 and 16,500 feet. The proposed depth of the proposed injection well is 16,550 feet with injection interval to be determined from field observations.

Figure 1: presents a type log based on an observation well (James Ranch Unit #1) that was drilled to 17,555 feet (TD). The well was drilled about 5.4 miles northeast of the proposed Gnome East SWD #1 in Unit O (SW/4, SE/4), Section 36, Township 22 South and Range 30 East.

Figure 2: presents a detailed geological cross section of the injection zone. The geological cross section (A to A') was prepared based on rock descriptions from the Remuda Basin #1 located in Unit J (NW/4, SE/4), Section 24, Township 23 South, Range 29 East and Todd 26 G Federal #1 located in Unit G (SW/4, NE/4), Section 26, Township 23 South, Range 31 East, a distance of about 16 miles. The cross section does not show any offsets that would suggest faulting is present. The cross section shows good correlation of the Siluro – Devonian contact and the potential injection zone.

Groundwater Summary

The Gnome East SWD Well #1 is located about nine miles east of the Pecos River. Groundwater occurs in the Permian-age Rustler Formation. Groundwater in the Rustler formation occurs in the Culebra Member dolomite beds in the upper part and gypsum beds near the base of the formation. The Culebra member dolomite acts as the principal aquifer in the area and it is considered a brine aquifer. Groundwater from the lower part of the Rustler formation is generally very saline to saturated brine due to the lower confining salt bed of the Salado Formation. Near the Gnome East SWD water quality is generally poor due to elevated levels of sodium, chloride and sulfate.

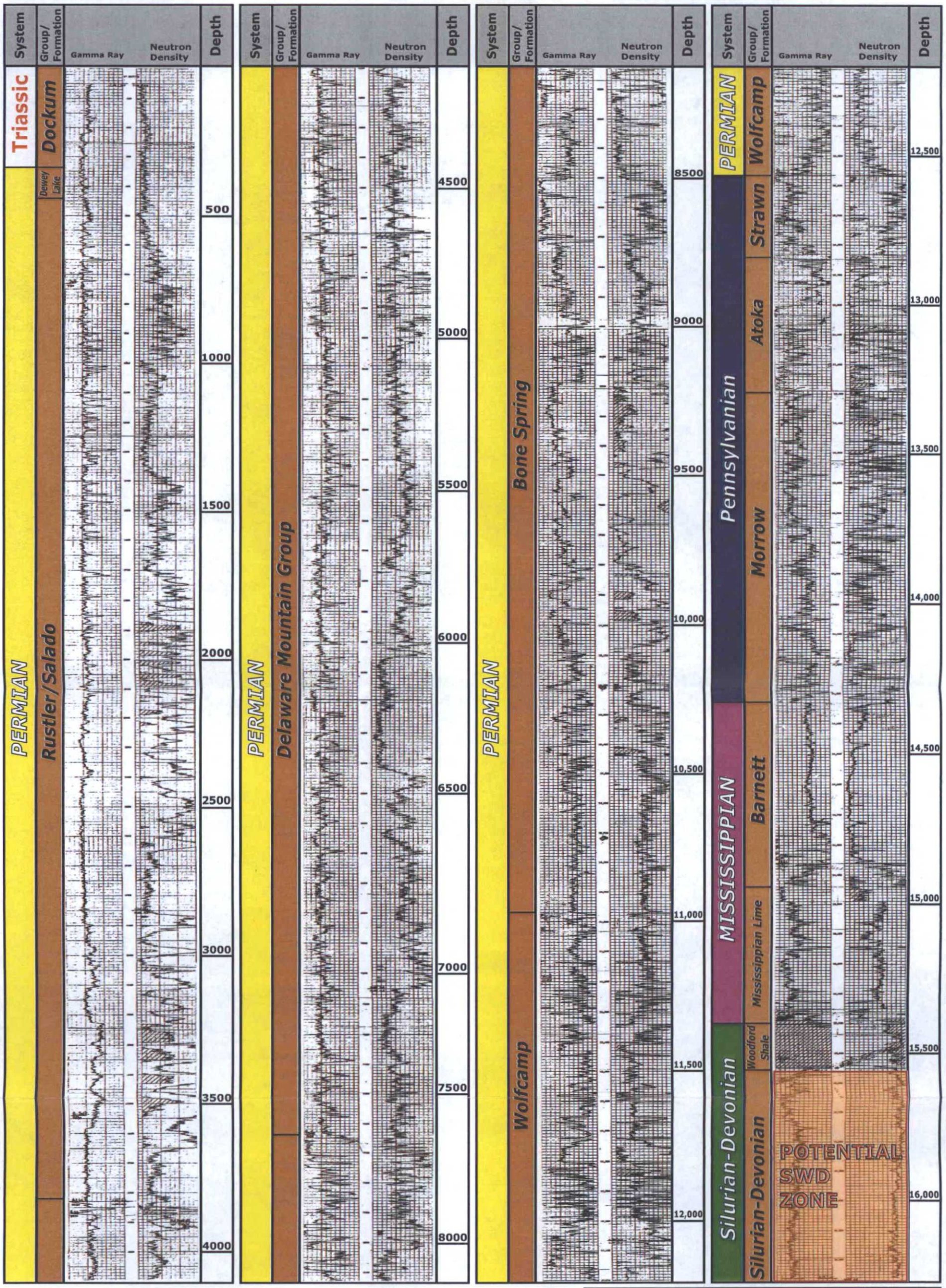
According to the water report compiled by Geosearch there are no freshwater wells present in the area. Records obtained from the New Mexico Office of the State Engineer and U.S. Geological Survey show no freshwater wells within a one-mile radius of the proposed Gnome East SWD Well #1.

References:

- Nicholson, Alexander, Jr., and Clebsch, Alfred, Jr., Geology and Ground-Water Conditions in Southern Lea County, New Mexico. In: Ground-Water Report 6, 1961. U.S. Geological Survey State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining & Technology, Campus Station , Socorro, New Mexico p. 123
- Hendrickson, G.E., and Jones, R.S., Geology and Groundwater Resources of Eddy County, New Mexico. In: Ground-Water Report 3, 1952. U.S. Geological Survey, State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining and Technology, Campus Station , Socorro, New Mexico.
- Cooper, J.B., and Glanzman, V.M., 1971. Geohydrology of Project Gnome Site, Eddy County, New Mexico, Geological Survey Paper 712-A, Washington, D.C.

Refer to attached figures and copy of Office of the State Engineer Well Inventory and Geosearch Water Well Report

Shell Oil Company James Ranch Unit #1
Sec. 36, T-22-S, R-30-E



Larson & Associates, Inc.
Environmental Consultants

Gnome East SWD Well #1

Eddy County, New Mexico

Type Log

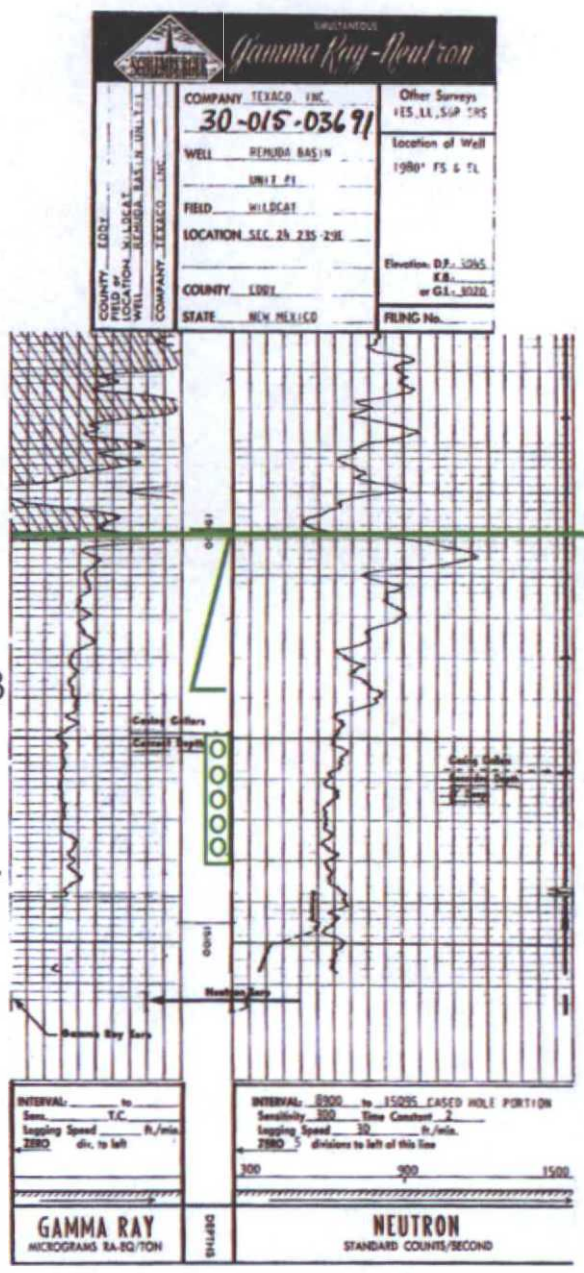
FIGURE 1: TYPICAL SECTION OF ROCKS PENETRATED

W

E

A

A'

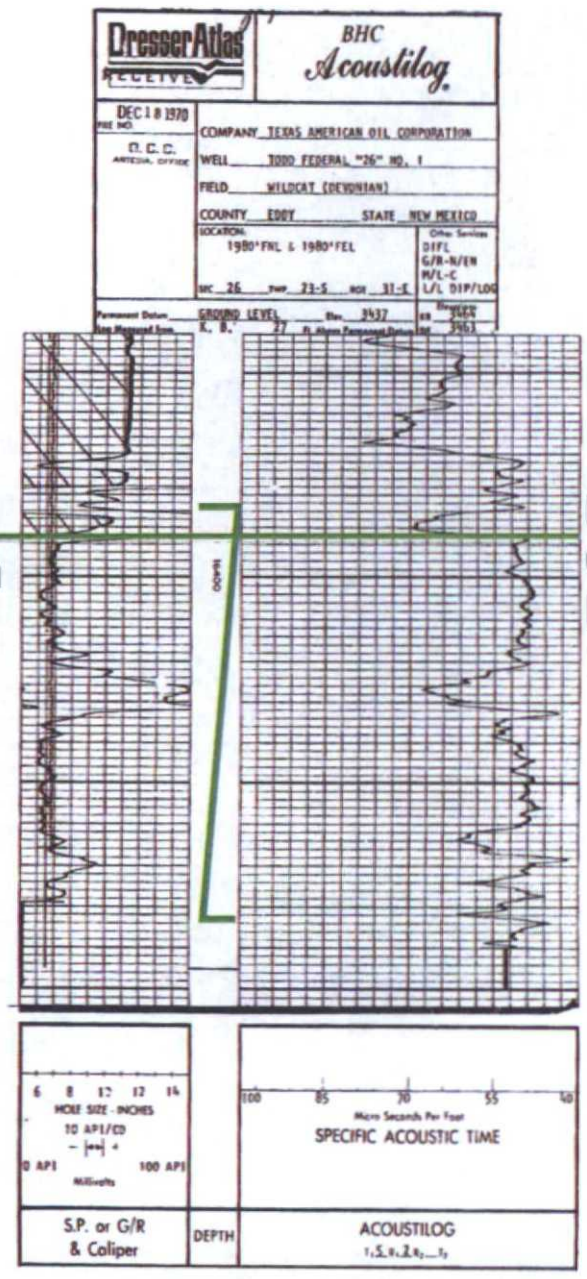


DATUM

Siluro-Devonian

DST:
Rec:
110' DM,
3,000 WB

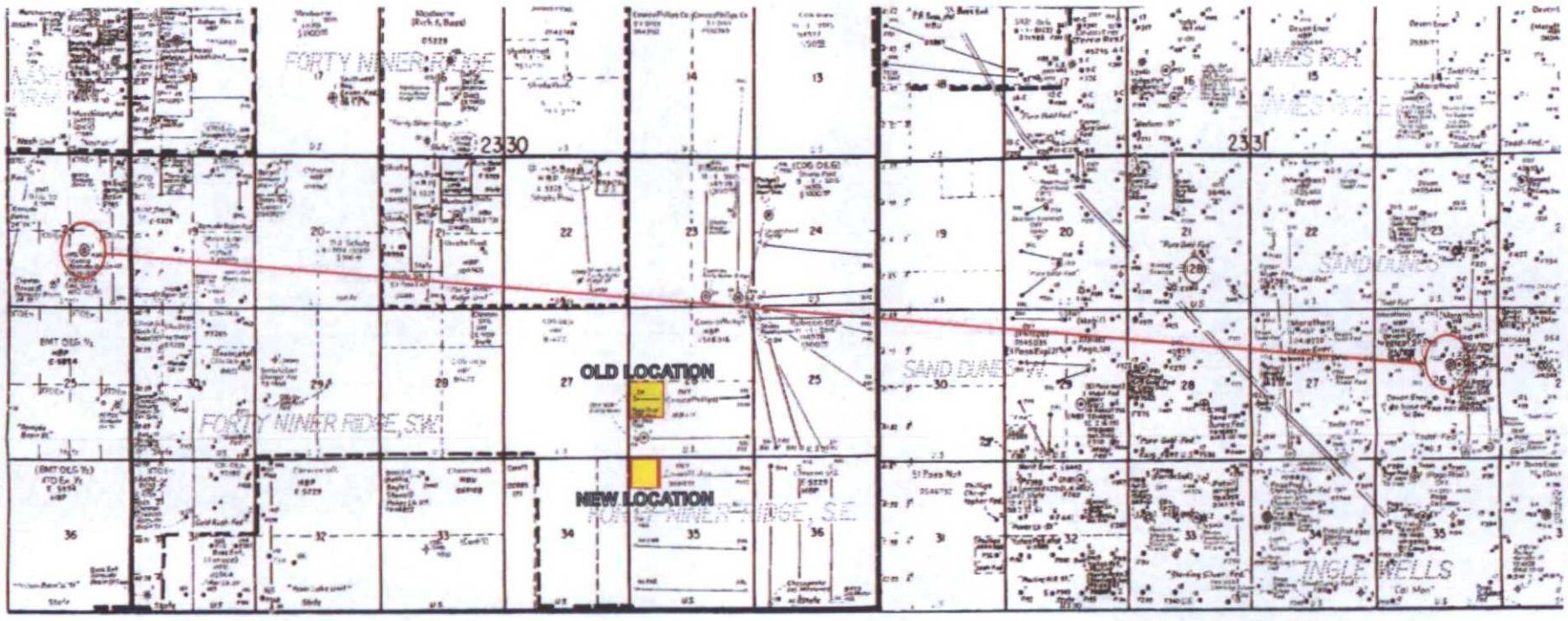
Perf:
Swb:
8BSW/hr



DST:
GTS 30" TSTM
Rec: 2,604' WB
12,741' SW

A

A'



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Gnome East SWD Well #1
Eddy County, New Mexico
Stratigraphic Cross Section

FIGURE 2: GEOLOGICAL CROSS SECTION

GeoSearch

On time. On target. In touch.℠

Water Well Report

http://www.geo-search.net/QuickMap/index.htm?DataID=Standard0000114589

Click on link above to access the map and satellite view of current property

Target Property:

Gnome SWD

Loving, Eddy County, New Mexico 88256

Prepared For:

Larson & Associates

Order #: 52477

Job #: 114589

Project #: 15-0126-00

PO #: 1703

Date: 07/22/2015

phone: 888-396-0042 · fax: 512-472-9967 · www.geo-search.com

TARGET PROPERTY SUMMARY

Gnome SWD
Loving, Eddy County, New Mexico 88256

USGS Quadrangle: ***Los Medanos, NM***
Target Property Geometry: ***Point***

Target Property Longitude(s)/Latitude(s):
(-103.859425, 32.273219)

County/Parish Covered:
Eddy (NM)

Zipcode(s) Covered:
Loving NM: 88256

State(s) Covered:
NM

****Target property is located in Radon Zone 2.***
Zone 2 areas have a predicted average indoor radon screening level between 2 and 4 pCi/L (picocuries per liter).

DATABASE FINDINGS SUMMARY

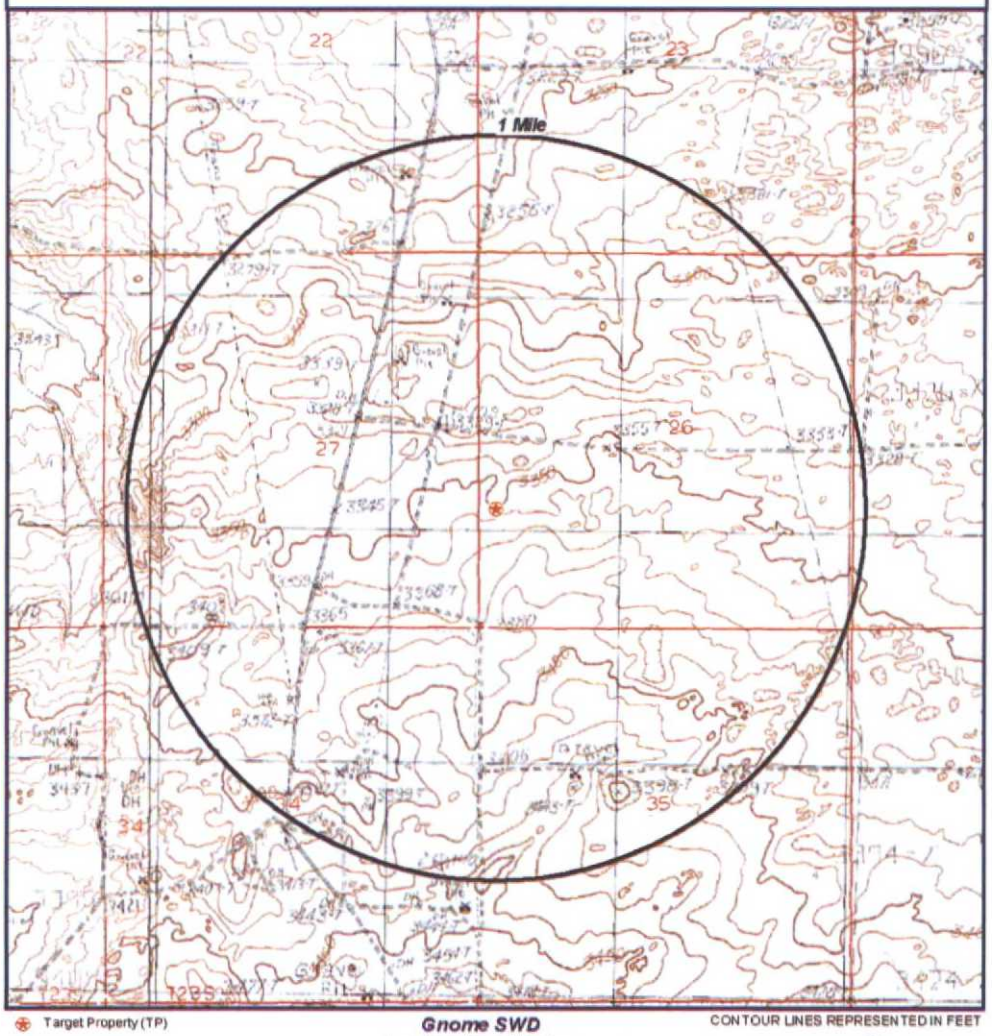
DATABASE	ACRONYM	LOCA-TABLE	UNLOCA-TABLE	SEARCH RADIUS (miles)
FEDERAL				
UNITED STATES GEOLOGICAL SURVEY NATIONAL WATER INFORMATION SYSTEM	NWIS	0	0	1.0000
SUB-TOTAL		**0**	**0**	
STATE (NM)				
WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE WATERS SYSTEM		0	0	1.0000
SUB-TOTAL		**0**	**0**	
TOTAL		**0**	**0**	

LOCATABLE DATABASE FINDINGS

ACRONYM	SEARCH RADIUS (miles)	TP/AP (0 - 0.02)	1/8 Mile (> TP/AP)	1/4 Mile (> 1/8)	1/2 Mile (> 1/4)	1 Mile (> 1/2)	> 1 Mile	Total
FEDERAL								
NWIS	1.000	0	0	0	0	0	NS	0
SUB-TOTAL		**0**	**0**	**0**	**0**	**0**	**0**	**0**
STATE (NM)								
WATERS	1.000	0	0	0	0	0	NS	0
SUB-TOTAL		**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL		**0**	**0**	**0**	**0**	**0**	**0**	**0**

NOTES:
NS = NOT SEARCHED
TP/AP = TARGET PROPERTY/ADJACENT PROPERTY

WATER WELL MAP



Target Property (TP)

Gnome SWD
Loving, New Mexico
88256

CONTOUR LINES REPRESENTED IN FEET

N
W E
S

0' 1000' 2000' 3000'
SCALE: 1" = 2000'

GeoSearch www.geo-search.com - phone: 888-396-0042 - fax: 512-472-9967

JOB #: 114589 - 7/22/2015

ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

NWIS United States Geological Survey National Water Information System

VERSION DATE: 7/2014

This USGS National Water Information System database only includes groundwater wells. The USGS defines this well type as: A hole or shaft constructed in the earth intended to be used to locate, sample, or develop groundwater, oil, gas, or some other subsurface material. The diameter of a well is typically much smaller than the depth. Wells are also used to artificially recharge groundwater or to pressurize oil and gas production zones. Additional information about specific kinds of wells should be recorded under the secondary site types or the Use of Site field. Underground waste-disposal wells should be classified as waste-injection wells.

ENVIRONMENTAL RECORDS DEFINITIONS - STATE (NM)

WATERS Water Administration Technical Engineering Resource System

VERSION DATE: 4/2014

This water well location data was extracted from the NM Office of the State Engineer's Water Administration Technical Engineering Resource System database. Changes are periodically added to the information and may be made at any time. The database may contain information for areas not complete, including in-progress areas, this information should not be relied on as accurate or complete.

New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 26 **Township:** 23S **Range:** 30E

New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 27 **Township:** 23S **Range:** 30E

New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 34 **Township:** 23S **Range:** 30E

New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

PLSS Search:

Section(s): 35 **Township:** 23S **Range:** 30E

ATTACHMENT IX

Proposed Stimulation Program

The well will be perforated in intervals based on porosity and acidized. Coiled tubing will be used to place the acid across the porous zones accurately.

ATTACHMENT X

Logging and Test Data

A type log (Figure 1) was prepared from an observation well (James Ranch Unit #1) that was drilled 17,555 feet (TD). The well was drilled about 5.4 miles northeast of the proposed Gnome East SWD in Unit O (SW/4, SE/4), Section 36, Township 22 South and Range 30 East. The well was logged with conventional logging tools available at the time.

ATTACHMENT XI

Chemical Analysis from Fresh Water Well

According to records from the New Mexico Office of the State Engineer, no fresh water wells are located within 1-mile of the Gnome East SWD well therefore no chemical analysis for fresh water is available.

Refer to attached Office of the State Engineer Well Inventory and Geosearch Water Well Report

(Attachment VIII)

ATTACHMENT XII

Faults and Hydrologic Connections

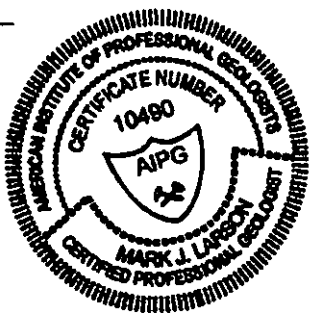
Statement

I, Mark J. Larson, have reviewed 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.

Mark J. Larson

12/18/2015

Date



ATTACHMENT XIII

Proof of Notice

The following parties were identified as having surface/mineral/lease ownership within one-half mile of the proposed SWD well and were notified on December 22, 2015:

Aquila Energy Resources

10370 Richmond Avenue

Houston, TX 77042

U.S. Bureau of Land Management

Carlsbad Field Office

620 East Greene Street

Carlsbad, NM 88220

COG Operating, LLC/Concho Oil & Gas, LLC

One Concho Center

600 West Illinois Avenue

Midland, TX 79701

Collins & Ware

508 West Wall St, #1200

Midland, TX 79701

ConocoPhillips Co.

P.O. Box 7500

Bartlesville, OK 74005

Devon Energy Production Company, LP

333 West Sheridan

Oklahoma City, OK 73102

Exxon Mobil Corp.

P.O. Box 4358

Houston, TX 77210

Khody Land and Minerals Company

210 Park Avenue, Ste 900

Oklahoma City, OK 73102

OXY USA, Inc.

P.O. Box 27570

Houston, TX 77227

PXP Producing Company, LLC

700 Milam St, Ste. 2100

Houston, TX 77002

Refer to attached Letters of Notification

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

Aquila Energy Resources
10370 Richmond Avenue
Houston, TX 77042

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future®

December 22, 2015

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear BLM:

The enclosed application has been submitted to the New Mexico Oil Conservation Division (OCD) for permitting a commercial salt water disposal (SWD) well in Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, in Eddy County, New Mexico. You are receiving this letter and application as Administrator of U.S. Government Lands. Please contact me at (281) 873-3202, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

COG Operating, LLC/Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future®

December 22, 2015

Collins & Ware
508 West Wall St, #1200
Midland, TX 79701

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

ConocoPhillips Co.
600 North Dairy Ashford
Houston, TX 77079

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com; if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

Exxon Mobil Oil Corporation
P.O. Box 4358
Houston, TX 77210

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future®

December 22, 2015

Khody Land and Minerals Company
210 Park Avenue
Suite 900
Oklahoma City, OK 73102

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

OXY USA, INC.
P.O. Box 27570
Houston, TX 77227

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,

Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future

December 22, 2015

PXP Producing Co., LLC
700 Milam Street, Suite 3100
Houston, TX 77002

Re: Application for Salt Water Disposal (Gnome East SWD #1) Well, R360 Permian Basin, LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Gnome East SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. in Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,

Waste Connections, Inc.

Chris Ruane
Director of Engineering

Enc/

WASTE CONNECTIONS, INC.
Connect with the Future®

December 22, 2015

Mr. William Jones, Bureau Chief
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Gnome East SWD #1, 360 Permian Basin LLC, Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, Eddy County, New Mexico

Dear Mr. Jones,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well (Gnome East SWD #1) in Unit D (NW/4, NW/4), Section 35 Township 23 South, Range 30 East, in Eddy County, New Mexico. The well will be located 220' FSL and 305' FWL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 15,550 and 16,550 feet. Notification and a copy of the permit application were sent to the NMOCD District 2 office in Artesia, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,
Waste Connections, Inc.

Chris Ruane
Director of Engineering

cc: Randy Dade– OCD District 2

Enc/

PUBLIC NOTICE

The attached public notice was submitted to the Hobbs News Sun on December 22, 2015, for one-time publication.

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Gnome East SWD #1). The well will be located 220' FNL and 305' FWL, in Unit D (NW/4, NW/4), Section 35, Township 23 South, Range 30 East, in Eddy County, New Mexico. The well will be located approximately 23 miles southeast of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 15,550' and 16,500'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Rynni Henderson, being first duly sworn, on oath says:

That she is the Publisher of the Carlsbad Current-Argus, a newspaper published daily at the *City of Carlsbad, in said county of* Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

December 22 2015

That the cost of publication is **$70.07** and that payment thereof has been made and will be assessed as court costs.

Rynni Henderson

Subscribed and sworn to before me this 30 day of December 2015

Cynthia Arredondo

My commission Expires
2/13/15

Notary Public

OFFICIAL SEAL
Cynthia Arredondo
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires 2/13/17

December 22, 2015

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Gnome East SWD #1). The well will be located 220' FNL and 305' FWL in Unit D (NW/4 NW/4), Section 35, Township 23 South, Range 30 East, in Eddy County, New Mexico. The well will be located approximately 23 miles southeast of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 15,550 and 16,500'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 7868 73

ARTICLE ADDRESS TO:
Aquila Energy Resources
10370 Richmond Avenue Ste 510
Houston TX 77042-2551

FEES

Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.25**

Postmark Here
MIDLAND TX DOWNTOWN STA 79701
DEC 23 2015
USPS

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1330 80

ARTICLE ADDRESS TO:
U.S. Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad NM 88220-6292

FEES

Postage per piece	$5.75
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.00**

Postmark Here
MIDLAND TX DOWNTOWN STA 79701
DEC 23 2015
USPS

CERTIFIED MAIL

MARK
507 N.
MIDL

9402 6118 9956 3972 1330 80

COMPLETE THIS SECTION ON DELIVERY

A. Signature: ☐ Addressee or ☐ Agent)
X

B. Received By: (Please Print Clearly)

C. Date of Delivery
12/30/15

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

RETURN RECEIPT REQUESTED

Article Addressed To:

U.S. Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad NM 88220-6292

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1190 15

ARTICLE ADDRESS TO:
Collins & Ware
503 West Wall St., Suite 1200
Midland TX 79701-5076

FEES

Postage per piece	$5.75
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.00**

Postmark Here
MIDLAND TX DOWNTOWN STA 79701 DEC 23 2015 USPS

MARK LARSON
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800 6/02

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)
X

B. Received by: (Please Print Clearly)

C. Date of Delivery

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

CERTIFIED MAIL

9402 6118 9956 3972 1190 15

RETURN RECEIPT REQUESTED

Article Addressed To:

Collins & Ware
508 West Wall St., Suite 1200
Midland TX 79701-5076

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1187 59

ARTICLE ADDRESS TO:
Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland TX 79701-4882

FEES

Postage per piece	$5.75
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.00**

Postmark Here
MIDLAND TX DOWNTOWN STA 79701 DEC 23 2015 USPS

MARK LARSON
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800 6/02

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)
X

B. Received By: (Please Print Clearly)

C. Date of Delivery 12/24/15

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

CERTIFIED MAIL

9402 6118 9956 3972 1187 59

RETURN RECEIPT REQUESTED

Article Addressed To:

Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland TX 79701-4882

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1466 84

ARTICLE ADDRESS TO:
ConocoPhillips Co.
P.O. Box 7500
Bartlesville OK 74005-7500

FEES	
Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	$12.25

Postmark Here

MIDLAND TX DOWNTOWN STA DEC 23 2015 USPS

MARK LARSON
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800 5/02

CERTIFIED MAIL

9402 6118 9956 3972 1466 84

RETURN RECEIPT REQUESTED

Article Addressed To:

ConocoPhillips Co.
P.O. Box 7500
Bartlesville OK 74005-7500

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)
X

B. Received By: (Please Print Clearly)

C. Date of Delivery DEC 28 2015

D. Addressee's Address (If different From Address Used by Sender)
Bartlesville, OK

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1779 54

ARTICLE ADDRESS TO:
Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City OK 73102-5010

FEES	
Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	$12.25

Postmark Here

MIDLAND TX DOWNTOWN STA 79701 DEC 23 2015 USPS

MARK LARSON
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800 5/02

CERTIFIED MAIL

9402 6118 9956 3972 1779 54

RETURN RECEIPT REQUESTED

Article Addressed To:

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City OK 73102-5010

COMPLETE THIS SECTION ON DELIVERY

A. Signature (☐ Addressee or ☐ Agent)
X David Carrillo

B. Received By: (Please Print Clearly)

C. Date of Delivery

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

OKLAHOMA CITY OK 731 DEC 28 2015 USPS

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1955 38

ARTICLE ADDRESS TO:
Exxon Mobil Oil Corporation
P.O. Box 4358
Houston TX 77210-4358

FEES

Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.25**

Postmark Here
MIDLAND TX DOWNTOWN STA 79701 USPS

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1545 42

ARTICLE ADDRESS TO:
Khody Land & Minerals Company
210 Park Ave, Ste. 900
Oklahoma City OK 73102-5643

FEES

Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.25**

Postmark Here
MIDLAND TX DOWNTOWN STA 79701 USPS

[redacted] KLARSON
[redacted] N. MARIENFIELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800 6/02

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)
X Teresa Reeve

B. Received By: (Please Print Clearly)

C. Date of Delivery
DEC 23

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

CERTIFIED MAIL

[redacted]

9402 6118 9956 3972 1545 42

RETURN RECEIPT REQUESTED

Article Addressed To:

Khody Land & Minerals Company
210 Park Ave, Ste. 900
Oklahoma City OK 73102-5643

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1570 62

ARTICLE ADDRESS TO:
OXY USA, Inc.
P.O. Box 27570
Houston TX 77227-7570

FEES

Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.25**

Postmark Here

DOWNTOWN STA 79701 MIDLAND TX USPS DEC 23 2015

MARK LARSON
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800 6/02

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☐ Addressee or ☐ Agent)
X
B. Received By: (Please Print Clearly)
C. Date of Delivery
D. Addressee's Address (If Different From Address Used by Sender)
Secondary Address / Suite / Apt. / Floor (Please Print Clearly)
Delivery Address
City State ZIP + 4 Code

CERTIFIED MAIL

9402 6118 9956 3972 1570 62

RETURN RECEIPT REQUESTED

Article Addressed To:

OXY USA, Inc.
P.O. Box 27570
Houston TX 77227-7570

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1644 73

ARTICLE ADDRESS TO:
PXP Producing Co., LLC
700 Milam Street, Suite 3100
Houston TX 77002-2764

FEES

Postage per piece	$6.00
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Total Postage & Fees:	**$12.25**

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DOWNTOWN STA 79701 MIDLAND TX USPS DEC 23 2015

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1835 73

ARTICLE ADDRESS TO:
Randy Dade
NMOCD District 2
811 S. First Street
Artesia NM 88210-2834

FEES	
Postage per piece	$5.75
Certified Fee	3.45
Return Receipt Fee	2.80
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MIDLAND, TX DOWNTOWN STA 79701 DEC 23 2015 USPS

MARK LARSON
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

PS Form 3800, 6/02

CERTIFIED MAIL

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Addressee or ☐ Agent

X

B. Received By: (Please Print Clearly)

C. Date of Delivery
12/30/15

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

9402 6118 9956 3972 1835 73

RETURN RECEIPT REQUESTED

Article Addressed To:

Randy Dade
NMOCD District 2
811 S. First Street
Artesia NM 88210-2834

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 6118 9956 3972 1661 63

ARTICLE ADDRESS TO:
Mr. William Jones
Bureau Chief
Engineering and Geological Services
NMOCD
1220 South St. Francis Drive
Santa Fe NM 87505-4225

FEES	
Postage per piece	$6.00
Certified Fee	3.45
Return Receipt Fee	2.80
Total Postage & Fees:	**$12.25**

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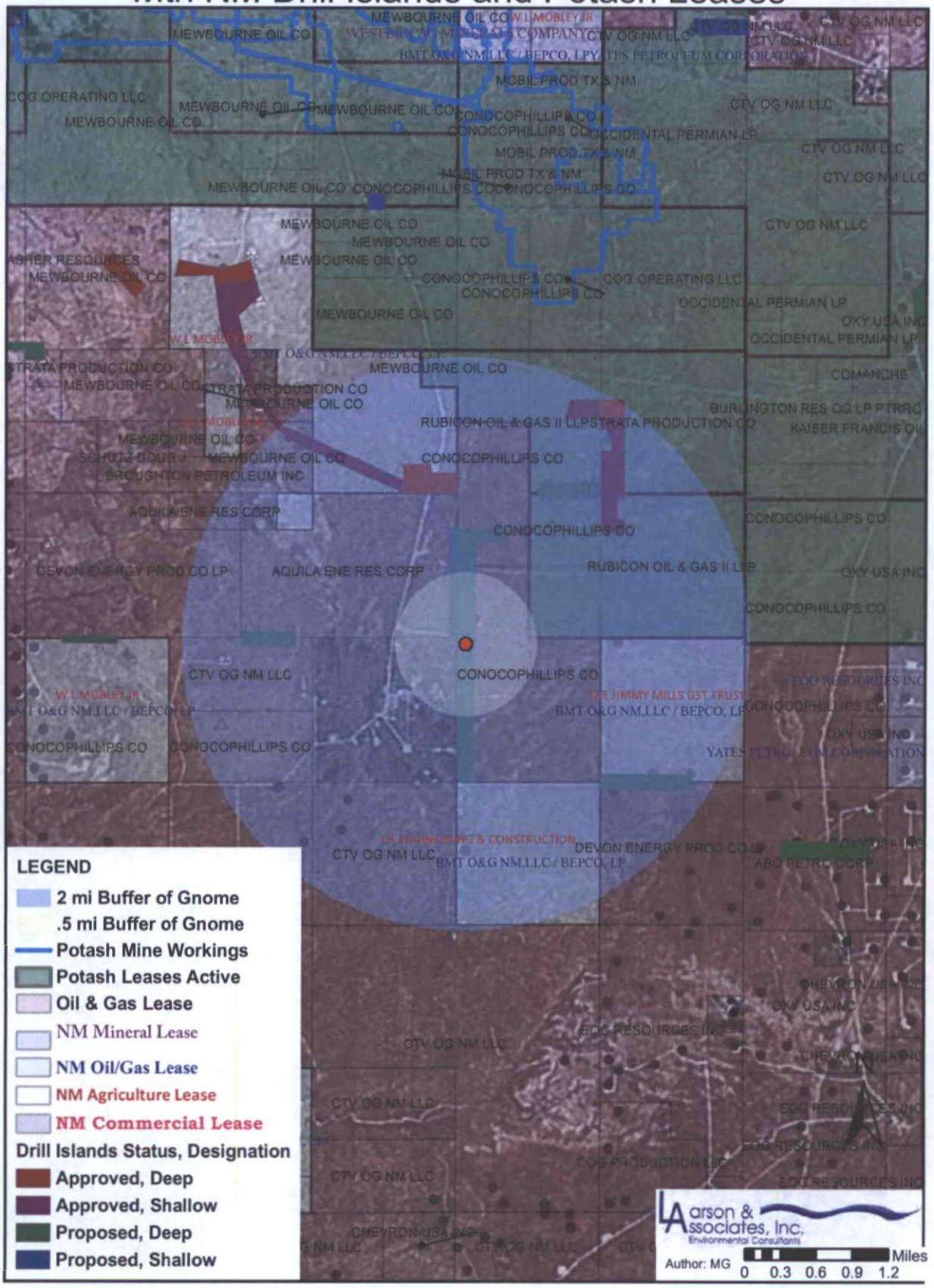
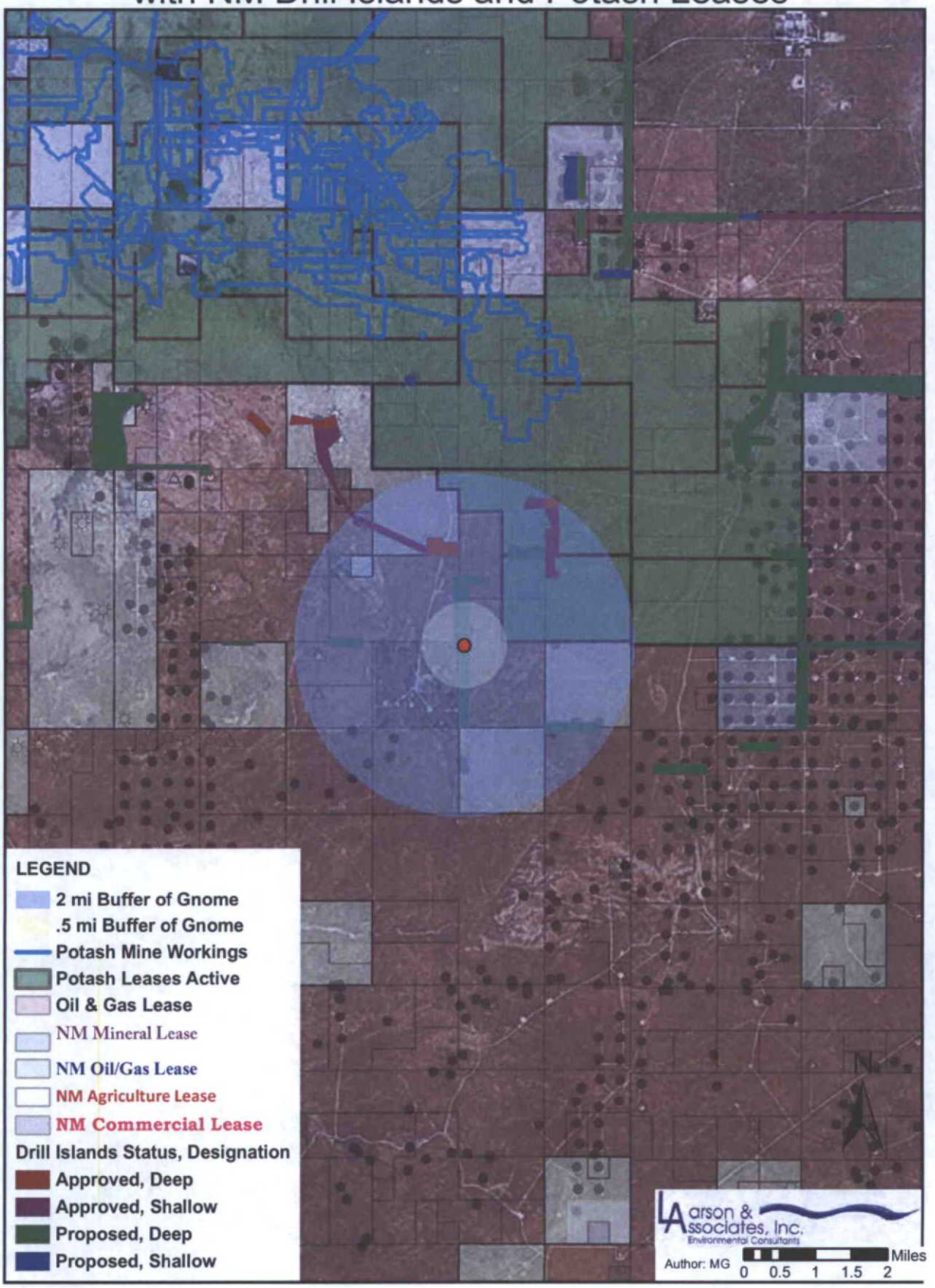
MIDLAND, TX DOWNTOWN STA 79701 DEC 23 2015 USPS

2 mile Radius of Gnome East SWD with NM Drill Islands and Potash Leases



2 mile Radius of Gnome East SWD with NM Drill Islands and Potash Leases



New Mexico Office of the State Engineer
Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

POD Number	Q64	Q16	Q4	Sec	Tws	Rng	X	Y
C 02095		2	3	34	23S	30E	606337	3569759*

Driller License:
Driller Name: DEPT. OF ENGERY

Drill Start Date:		**Drill Finish Date:**	08/31/1960	**Plug Date:**	
Log File Date:		**PCW Rcv Date:**		**Source:**	
Pump Type:		**Pipe Discharge Size:**		**Estimated Yield:**	100 GPM
Casing Size:	12.75	**Depth Well:**	554 feet	**Depth Water:**	440 feet

***UTM location was derived from PLSS - see Help**

C-108 Review Checklist: Received 12/28/2015 & 12/24 Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 15]

ORDER TYPE: WFX / PMX / SWD Number: 1670 Order Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): Gnome East

API : 30-0 15-Pending Spud Date: TBD New or Old: N (*UIC Class II Primacy 03/07/1982*)

Footages 220 FNL 305 FWL Lot ___ or Unit D Sec 35 Tsp 23S Rge 30E County Eddy

General Location: ~4 miles south East/Loving R360 Pool: _____ Pool No.: _____

BLM 100K Map: JAL Operator: Permian Basin, LLC OGRID: 289523 Contact: C&S Engineering

COMPLIANCE RULE 5.9: Total Wells: 2 Inactive: 0 Fincl Assur: Y Compl. Order? NA **IS 5.9 OK?** Y Date: 1-11-2016

WELL FILE REVIEWED ○ Current Status: Proposed

WELL DIAGRAMS: NEW: Proposed ✓ or **RE-ENTER:** Before Conv. ○ After Conv. ○ Logs in Imaging: _____

Planned Rehab Work to Well: C-B-L 7"/Surface

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned __or Existing __ Surface	26"/20"	1060		1400	Surface/Visual
Planned__or Existing __ Interm/Prod	17½"/13⅜"	3500	1800	1995	Surface/Visual
Planned__or Existing __ Interm/Prod	12¼"/9⅝"	10660	3834	2108	Surface/Visual
Planned__or Existing __ Prod/Liner	8½/7"	15500	7000/10600	1576	Surface/Visual
Planned__or Existing __ Liner					
Planned__or Existing __ OH / PERF	15500/16500		Inj Length	1000	

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.	[redacted]	MS	14940
Confining Unit: Litho. Struc. Por.		DV	15550
Proposed Inj Interval TOP:	15500		
Proposed Inj Interval BOTTOM:	16500		
Confining Unit: Litho. Struc. Por.			
Adjacent Unit: Litho. Struc. Por.	[redacted]		

Completion/Operation Details:

Drilled TD 16500 PBTD _____

NEW TD _____ NEW PBTD _____

NEW Open Hole ○ or NEW Perfs ○

Tubing Size _____ in. Inter Coated? _____

Proposed Packer Depth 15000 ft

Min. Packer Depth 15485 (100-ft limit)

Proposed Max. Surface Press. 2800 psi

Admin. Inj. Press. 3100 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information (Island)

POTASH: R-111-P Y *Noticed?* Y **BLM Sec Ord** ✓ **WIPP** ○ *Noticed?* ___ **Salt/Salado T:** 520 **B:** 3665 **NW: Cliff House fm** ___

FRESH WATER: Aquifer Triassic Max Depth 440 **HYDRO AFFIRM STATEMENT** By Qualified Person ✓

NMOSE Basin: Carlsbad **CAPITAN REEF:** thru ___ adj NA **No. Wells within 1-Mile Radius?** 0 FW Analysis

Disposal Fluid: Formation Source(s) Delaware Analysis? _____ On Lease ○ Operator Only ○ or Commercial ○

Disposal Int: Inject Rate (Avg/Max BWPD): 16K/20K Protectable Waters? _____ Source: _____ System: Closed or Open

HC Potential: Producing Interval? N/A Formerly Producing? _____ Method: Logs/DST/P&A/Other X-section 2-Mile Radius Pool Map ○

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

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

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

NOTICE: Newspaper Date 12-22-2015 Mineral Owner BLM Surface Owner BLM N. Date 12/30/2015

RULE 26.7(A): Identified Tracts? _____ Affected Persons: OXY, COG, REC * NO potash leases N. Date _____

Order Conditions: Issues: _____

Add Order Cond: _____