DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
8/24/07	9/9/07	W. Jones	8/24/07	SWD 426-A	pTDS0723659567

ABOVE THIS LINE FOR DIVISION USE ONLY

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

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

[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 _____

e-mail Address _____

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: Lynx Petroleum Consultants, Inc.

ADDRESS: P.O. Box 1708, Hobbs, NM 88241

CONTACT PARTY: Larry R. Scott PHONE: 505.392.6950

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.).

RECEIVED
2007 AUG 24 AM 11 23

*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: Larry R. Scott TITLE: President

SIGNATURE: Larry R Scott DATE: 7-16-07

E-MAIL ADDRESS: lrscott@leaco.net

* 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

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: Lynx Petroleum Consultants, Inc.

WELL NAME & NUMBER: Sprinkle Federal No. 3

WELL LOCATION:					
1650' FNL & 460' FEL	H	9	19S	35E
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

SEE ATTACHED

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 ½" Casing Size: 13 3/8"

Cemented with: 400 sx. *or* _____ ft³

Top of Cement: Circulated Method Determined: Visual

Intermediate Casing

Hole Size: 11" Casing Size: 8 5/8"

Cemented with: 1500 sx. *or* _____ ft³

Top of Cement: Circulated Method Determined: Visual

Production Casing

Hole Size: 7 7/8" Casing Size: 5½"

Cemented with: 600 sx. *or* _____ ft³

Top of Cement: 7600' Method Determined: Calculated

Total Depth: 10,800'

Injection Interval

Perfs 9544 feet to Perfs 10,680'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: IPC (plastic)

Type of Packer: Baker Model 'R' or equivalent

Packer Setting Depth: 9,450'

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

Additional Data

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

   If no, for what purpose was the well originally drilled? Wolfcamp and Bone Springs oil production

2. Name of the Injection Formation: Bone Springs & Wolfcamp

3. Name of Field or Pool (if applicable): Scharb

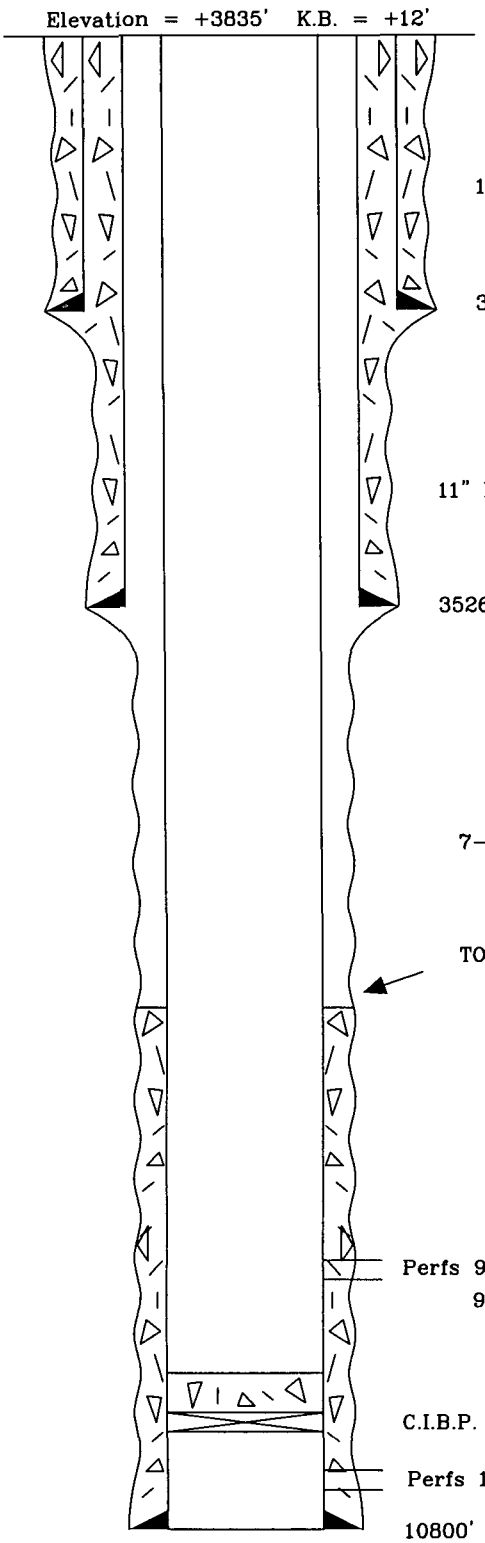
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None underlying; Queen overlying @ 4600'; Queen is water productive at this location from offset DST data.

XII. Examination of the available geologic and engineering data reveals no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. "Proof of Notice" advertisement and return receipts are attached.

CURRENT WELLBORE STATUS
5/17/2007



17-1/2" Hole Size

350' – 13 3/8", 54.5# Casing
Cemented w/400 sxs Circulated to surface

30-025-28521

11" Hole Size

3526' – 8 5/8", 32#, K-55 Casing
Cemented w/1500 sxs Circulated to surface

7-7/8" Hole Size

TOC @ 7600' (calculated w/caliper)

72%

Perfs 9544'-50', 9564'-66', 9573'-75', 9590', 9596'-9598', (Bone Springs)
9606'-10'

C.I.B.P. @ 10400'

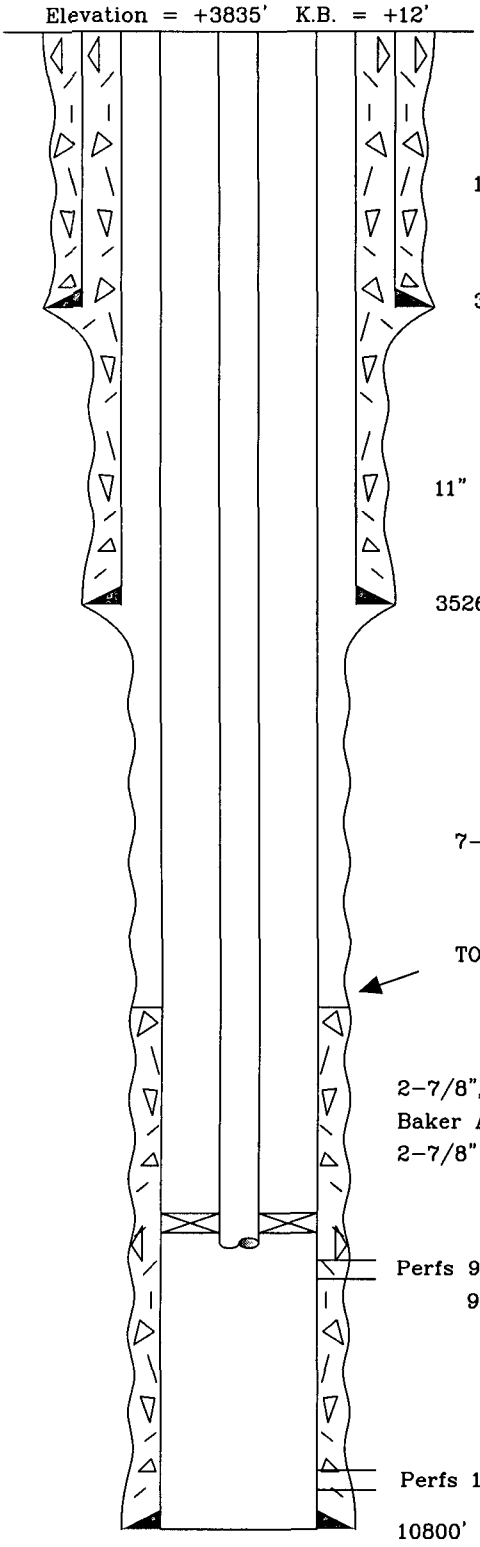
Perfs 10587'-680' (Wolfcamp)

10800' – 5 1/2", 17#, N-80 Casing
Cemented w/600 sxs 50-50 pozmix + 2% gel + 0.6% Halad 22
+ 3#KCL/sx + 1/2# flocele

T.D. @ 10800'

LYNX PETROLEUM CONSULTANTS
Sprinkle Federal No. 3
1650' FNL & 460' FEL
Section 9, T-19S, R-35E
Lea County, New Mexico

Proposed Injection Wellbore
9/4/2007



17-1/2" Hole Size

350' – 13 3/8", 54.5# Casing
Cemented w/400 sxs Circulated to surface

11" Hole Size

3526' – 8 5/8", 32#, K-55 Casing
Cemented w/1500 sxs Circulated to surface

7-7/8" Hole Size

TOC @ 7600' (calculated w/caliper)

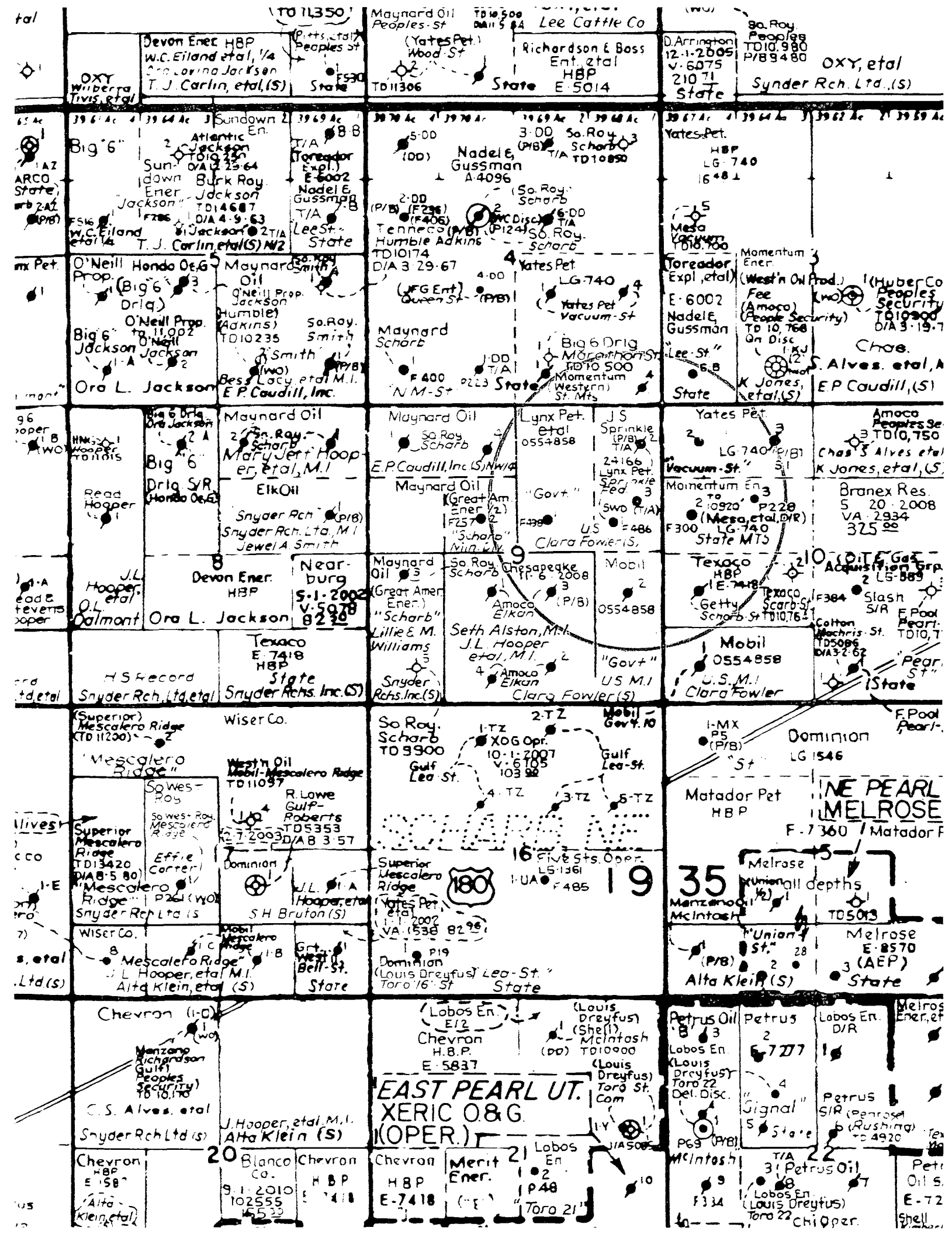
2-7/8", 6.5#/ft., N-80 IPC tubing
Baker AD-1 nickle plated (or equivalent) pkr. set @ 9450'
2-7/8" x 5-1/2" Annulus filled with 2% KCL TFW based packer fluid

Perfs 9544'-50', 9564'-66', 9573'-75', 9590', 9596'-9598', (Bone Springs)
9606'-10'

Perfs 10587'-680' (Wolfcamp)

10800' – 5 1/2", 17#, N-80 Casing
Cemented w/600 sxs 50-50 pozmix + 2% gel + 0.6% Halad 22
+ 3#KCL/sx + 1/2# flocele

LYNX PETROLEUM CONSULTANTS
Sprinkle Federal No. 3
1650' FNL & 460' FEL
Section 9, T-19S, R-35E
Lea County, New Mexico


Devon Ener. HBP W.C. Eiland etal, 1/4 Clarence Jackson T.J. Carlin, etal (S)
OXY Wilberta Tivis, etal
Maynard Oil Peoples-St
Lee Cattle Co
Richardson & Boss Ent. etal HBP E-5014
D. Arrington 12-1-2005 V-6075 210 71 State
So. Roy Peoples TD 10,980 P/B 9480
OXY, etal Synder Rch. Ltd. (S)
Big "6"
Sundown Ener. Jackson "A"
Atlantic Jackson
Sundown Burk Roy Jackson TD 14687 D/A 4-9-63
Toreador Expl. E-6002 Nadel & Gussman T/A Lee St. State
W.C. Eiland etal 1/4
T.J. Carlin, etal (S) N/2
Nadel, Gussman A-4096
Tenneco Humble Adkins TD 10174 D/A 3-29-67
So. Roy. Scharb
Yates Pet. LG-740
Maynard Scharb
Big 6 Drlg Marathon St. TD 10,500 Momentum (Western) St. Mts
Yates Pet. HBP LG-740
Mesa Vacuum TD 10,700
Toreador Expl, etal E-6002 Nadel, Gussman "Lee St."
Momentum Ener. (West'n Oil Prod.) Fee (Amoco) (People Security) TD 10,768 Qn Disc
(Huber Co Peoples Security TD 10,900 D/A 3-19-7
Chas. S. Alves, etal, M
E.P. Caudill, (S)
K Jones, etal (S)
O'Neill Hondo Oe&G Prop. (Big 6 Drlg.) O'Neill Prop. Big 6 Jackson
Ora L. Jackson
Maynard Oil O'Neill Prop. Jackson (Humble) (Adkins) TD 10235 So. Roy. Smith
Bess Lacy etal M.I. E.P. Caudill, Inc.
Big 6 Drlg. Ora Jackson
Maynard Oil So. Roy. Scharb Mary Jett Hooper, etal, M.I.
Elk Oil Snyder Rch (P/B) Snyder Rch. Ltd., M.I. Jewel A. Smith
Read Hooper
Big 6 Drlg. S/R (Hondo Oe&G)
Maynard Oil So. Roy Scharb E.P. Caudill, Inc. (S) NW/4
Lynx Pet. etal 0554858
J.S. Sprinkle (P/B) T/A 24166 Lynx Pet. Spr. Fee
Maynard Oil (Great Am. Ener.) "Scharb" Nin. Ky.
"Govt." US Clara Fowler (S)
Yates Pet. LG-740 "Vacuum-St."
Momentum Ener. (Mesa, etal D/R) State MTS
Amoco Peoples Se TD 10,750 Chas S Alves etal K Jones, etal, (S)
Branex Res. S 20-2008 VA 2934 325
J.L. Hooper, etal Oalmont
Devon Ener. HBP Ora L. Jackson
Nearburg S-1-2002 V-5078 8230
Maynard Oil (Great Amer. Ener.) "Scharb" Lillie & M. Williams Snyder Rchs. Inc. (S)
So. Roy Scharb Chesapeake 11-6-2008 Amoco Elkan Seth Alston, M.I. J.L. Hooper etal, M.I.
Mobil 0554858 "Govt" US M.I. Clara Fowler (S)
Texaco HBP E-7418 Getty Scharb-St TD 10,764
Mobil 0554858 U.S.M.I. Clara Fowler
Acquisition Grp. LG-589 Slash S/R Colton Mochris St. TD 5086 D/A 3-2-62
F. Pool Pearl TD 10,7 "Pear St." State
H.S. Record Snyder Rch. Ltd. etal
Texaco E-7418 HBP State Snyder Rchs. Inc. (S)
(Superior) Mescalero Ridge (TD 11200) "Mescalero Ridge"
Wiser Co.
West'n Oil Mobil-Mescalero Ridge TD 11097
R. Lowe Gulf-Roberts TD 5353 D/A 8-3-57
So. Roy. Scharb TD 9900
Gulf Lea St.
Mobil Gov't. TD
Dominion LG 1546
F. Pool Pearl
So. West Roy. Mescalero Ridge
Superior Mescalero Ridge TD 13420 D/A 8-5-80
Effie Carter
Mescalero Ridge
Snyder Rch Ltd (S)
Dominion
J.L. Hooper, etal
S.H. Bruton (S)
Matador Pet HBP
NE PEARL MELROSE
F-7360 Matador F
Melrose (Union all depths) TD 5013
Manzano Oil McIntosh
"Union St."
Melrose E-8570 (AEP) State
Alta Klein (S)
Wiser Co.
Mescalero Ridge
J.L. Hooper, etal M.I.
Alta Klein, etal (S)
Grt. West Bell St. State
Superior Mescalero Ridge (Yates Pet. etal) 1-1-2007 VA-1538 82 96
Five Sts. Oper. LS-1361
Gulf Lea St.
Toro 16 St
Lea St. State
Chevron (1-O)
Manzano Richardson Gulf Peoples Security TD 10,170
C.S. Alves, etal
Snyder Rch Ltd (S)
J. Hooper, etal, M.I. Alta Klein (S)
Lobos En. E/2 Chevron H.B.P. E-5837
(Louis Dreyfus) (Shell) McIntosh (DO) TD 10900
(Louis Dreyfus) Toro St. Com
EAST PEARL UT. XERIC O&G (OPER.)
Petrus Oil Lobos En. (Louis Dreyfus) Toro 22 Del. Disc.
Petrus 7277
Lobos En. D/R
"Signal" State
Petrus S/R (Penrose) (Rushing) TD 4920
Chevron HBP E-58 "Alta Klein, etal"
Blanco Co. 9-1-2010 102555
Chevron HBP
Chevron HBP E-7418
Merit Ener. "Toro 21"
Lobos En.
McIntosh
T/A Petrus Oil
Lobos En. (Louis Dreyfus) Toro 22
Chipper
Petr Oil S. E-72
Shell

APPLICATION FOR AUTHORIZATION TO INJECT
SPRINKLE FEDERAL No. 3

VI. DATA ON WELLS IN THE AREA OF REVIEW

1. LYNX PETROLEUM CONSULTANTS, INC.
   Sprinkle Federal No. 1
   2063' FNL & 841' FEL Section 9, T-19S, R-35E
   Spud: 5/83 Elevation: 3825' GL TD: 10770'
   17-1/2" Hole; 13-3/8" @ 350' w/350 sx. circulated
   11" Hole; 8-5/8" @ 3775' w/1700 sx. circulated
   7-7/8" Hole; 5-1/2" @ 10770' w/650 sx.

   Perforations: 10560'-72' Wolfcamp non-productive
   CIBP @ 10463'
   Perforations: 9526'-9604' Bone Springs Currently Shut-In

2. LYNX PETROLEUM CONSULTANTS, INC.
   Sprinkle Federal No. 2
   660' FNL & 330' FEL Section 9, T-19S, R-35E
   Spud: 12/83 Elevation: 3865' GL TD: 10750'
   17-1/2" Hole; 13-3/8" @ 346' w/350 sx. circulated
   11" Hole; 8-5/8" @ 3480' w/1700 sx. circulated
   7-7/8" Hole; 5-1/2" @ 10750' w/700 sx.; TOC @ 7950'

   Perforations: 10544'-678' Wolfcamp
   Perforations: 9512'-9602' Bone Springs
   Plugged and Abandoned 5/07; Schematic attached

3. ELK OIL COMPANY
   Elkan No. 3
   1980' FSL & 1980' FEL Section 9, T-19S, R-35E
   Spud: 10/83 Elevation: 3808' GL TD: 11000'
   17-1/2" Hole; 13-3/8" @ 450' w/650 sx. circulated
   12-1/4" Hole; 9-5/8" @ 4150' w/1650 sx. circulated
   8-3/4" Hole; 7" @ 11000' w/1200 sx. circulated

   Perforations: 10616'-730' Wolfcamp
   Perforations: 9582'-9732' Bone Springs
   Plugged and Abandoned 7/96; Schematic attached

4. NADEL & GUSSMAN
   B. Lee State No. 6
   519' FSL & 519' FWL Section 3, T-19S, R-35E
   Spud: 9/83 Elevation: 3878' GL TD: 10800'
   17-1/2" Hole; 13-3/8" @ 452' w/475 sx. circulated

11" Hole; 8-5/8" @ 3975' w/1100 sx. circulated
7-7/8" Hole; 5-1/2" @ 10800' w/1395 sx.; TOC @ 3990'

Perforations: 10506''-634' Wolfcamp; CIBP @ 10400'
Perforations: 9476'-90' Bone Springs; CIBP @ 9407'
Perforations: 4642'-50' Queen Currently Producing

5. MOMENTUM ENERGY CORP.
State 'MTS' No. 2
1980' FNL & 510' FWL Section 10, T-19S, R-35E
Spud: 2/83 Elevation: 3842' GL TD: 10770'
17-1/2" Hole; 13-3/8" @ 300' w/350 sx. circulated
11" Hole; 8-5/8" @ 3550' w/1600 sx. circulated
7-7/8" Hole; 5-1/2" @ 10770' w/600 sx.

Perforations: 10558'-578' Wolfcamp Currently Producing

6. MOMENTUM ENERGY CORP.
State 'MTS' No. 3
1650' FNL & 1650' FWL Section 10, T-19S, R-35E
Spud: 7/83 Elevation: 3864' GL TD: 10820'
17-1/2" Hole; 13-3/8" @ 325' w/350 sx. circulated
11" Hole; 8-5/8" @ 3575' w/1300 sx. circulated
7-7/8" Hole; 5-1/2" @ 10820' w/300 sx.
+270 SX HOWCO LITE

Perforations: 10535'-775' Wolfcamp Currently Producing

7. MOMENTUM ENERGY CORP.
State 'MTS' No. 4
330' FSL & 330' FEL Section 4, T-19S, R-35E
Spud: 11/83 Elevation: 3889' GL TD: 10725'
17-1/2" Hole; 13-3/8" @ 296' w/350 sx. circulated
11" Hole; 8-5/8" @ 3550' w/1600 sx. circulated
7-7/8" Hole; 5-1/2" @ 10725' w/600 sx.

Perforations: 9490'-9612' Bone Springs
Plugged and Abandoned 5/06; Schematic Attached

8. YATES PETROLEUM CORP.
Vacuum State No. 2
660' FNL & 660' FWL Section 10, T-19S, R-35E

Spud: 4/83 Elevation: 3879' GL TD: 10800'
17-1/2" Hole; 13-3/8" @ 504' w/550 sx. circulated
11" Hole; 8-5/8" @ 4000' w/2315 sx. circulated
7-7/8" Hole; 5-1/2" @ 10799' w/1860 sx.

Perforations: 10510'-10720' Wolfcamp
CIBP @ 10630'
Perforations: 10553'-570' Wolfcamp Currently Producing

9. YATES PETROLEUM CORP.
Vacuum State No. 3
660' FNL & 1980' FWL Section 10, T-19S, R-35E
Spud: 5/83 Elevation: 3844' GL TD: 10793'
17-1/2" Hole; 13-3/8" @ 500' w/550 sx. circulated
11" Hole; 8-5/8" @ 4037' w/1850 sx. circulated
7-7/8" Hole; 5-1/2" @ 10793' w/820 sx.; TOC @ 7115'

Perforations: 10465'-650'; Wolfcamp
CIBP @ 10375'
Perforations: 8978'-8999'
CIBP @ 8900' w/35' cement
Plugged and Abandoned 5/87; Schematic attached

10. TEXACO
Scharb '10' State No. 1
1980' FSL & 660' FWL Section 10, T-19S, R-35E
Spud: 8/83 Elevation: 3822' GL TD: 10793'
17-1/2" Hole; 13-3/8" @ 425' w/450 sx. circulated
11" Hole; 8-5/8" @ 4100' w/1500 sx. circulated
7-7/8" Hole; 5-1/2" @ 10793' w/1825 sx. circulated

Perforations: 10576'-716'; Wolfcamp
CIBP @ 10550'
Perforations: 9562'-9620' Bone Springs
Perforations: 9086'-9114'; Squeezed w/200 sx.
Perforations: 9094'-9104'; Squeezed w/250 sx.
Perforations: 9469'-9548'; Squeezed w/150 sx.
Plugged and Abandoned 3/85; Schematic attached

11. LYNX PETROLEUM CONSULTANTS, INC.
Government '9' No. 1
1980' FNL & 1980' FEL Section 9, T-19S, R-35E
Spud: 2/83 Elevation: 3823' GL TD: 10000'
17-1/2" Hole; 13-3/8" @ 410' w/450 sx. circulated
12-1/4" Hole; 9-5/8" @ 4120' w/1800 sx. circulated
8-3/4" Hole; 7" @ 10000' w/1439 sx.

Perforations: 9493'-9578' Bone Springs
Plugged and Abandoned 8/96; Schematic attached

12. LYNX PETROLEUM CONSULTANTS, INC.
Government '9' No. 2
1980' FSL & 660' FEL Section 9, T-19S, R-35E
Spud: 4/83 Elevation: 3807' GL TD: 9852'
17-1/2" Hole; 13-3/8" @ 430' w/450 sx. circulated
12-1/4" Hole; 9-5/8" @ 4135' w/2310 sx. circulated
8-3/4" Hole; 7" liner @ 3705'-9851' w/543 sx.

Perforations: 9442'-9608' Bone Springs
Plugged and Abandoned 6/92; Schematic attached

VII. PROPOSED OPERATIONS

1. Average Daily Rate: 500 BWPD
Maximum Daily Rate: 1000 BWPD
2. Closed System
3. Average Injection Pressure: 1000 psig
Maximum Injection Pressure: 1750 psig
4. Source of water will be produced water from various Morrow, Atoka, Strawn, Wolfcamp, Bone Springs, Delaware, San Andres, Penrose/Queen, and Yates-Seven Rivers formations in the immediate area. A formation water analysis from the Bone Springs in an offset well is enclosed. Wolfcamp water in this area would be similar to the Bone Springs.

VIII. This information has been previously submitted as this well was previously approved and utilized for on-lease disposal in the Wolfcamp.

IX. None

X., XI., Previously Submitted

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: LG740

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT —" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: Western Oil Producers, Inc.

8. Farm or Lease Name: State MTS

3. Address of Operator: P.O. Box 1498 Roswell, New Mexico 88201

9. Well No.: 3

4. Location of Well: UNIT LETTER F, 1650 FEET FROM THE North LINE AND 1650 FEET FROM THE West LINE, SECTION 10 TOWNSHIP 19S RANGE 35E NMPM.

10. Field and Pool, or Wildcat: Scharb Wolfcamp

15. Elevation (Show whether DF, RT, GR, etc.): 3863.9

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [X]	
OTHER [ ]		OTHER [ ]	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7/25/83 10,820' T.D., ran 5 1/2" casing, Mud Wt 8.8, Visc. 36, W.L. 8.8, 240 joints 5 1/2", 17 lb, N-80 LT & C Casing, cement at 10,820' with 300 sacks 50-50 poz mix, 270 Hite Lite 22, 3 lbs KCL, bump plug 1500 psi, plug down at 2:30 AM 7/26/83

Note to add Squeeze Cement

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

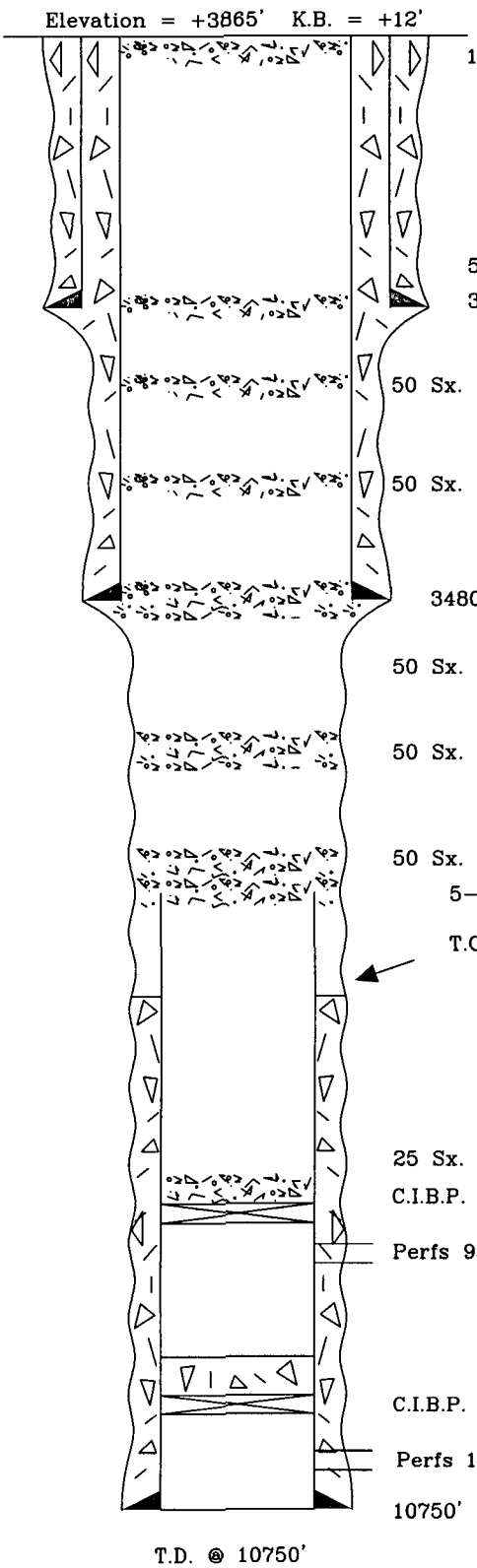
SIGNED Arnold Lewkuk TITLE Agent DATE 7/27/83

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE AUG 1 1983

CONDITIONS OF APPROVAL, IF ANY:

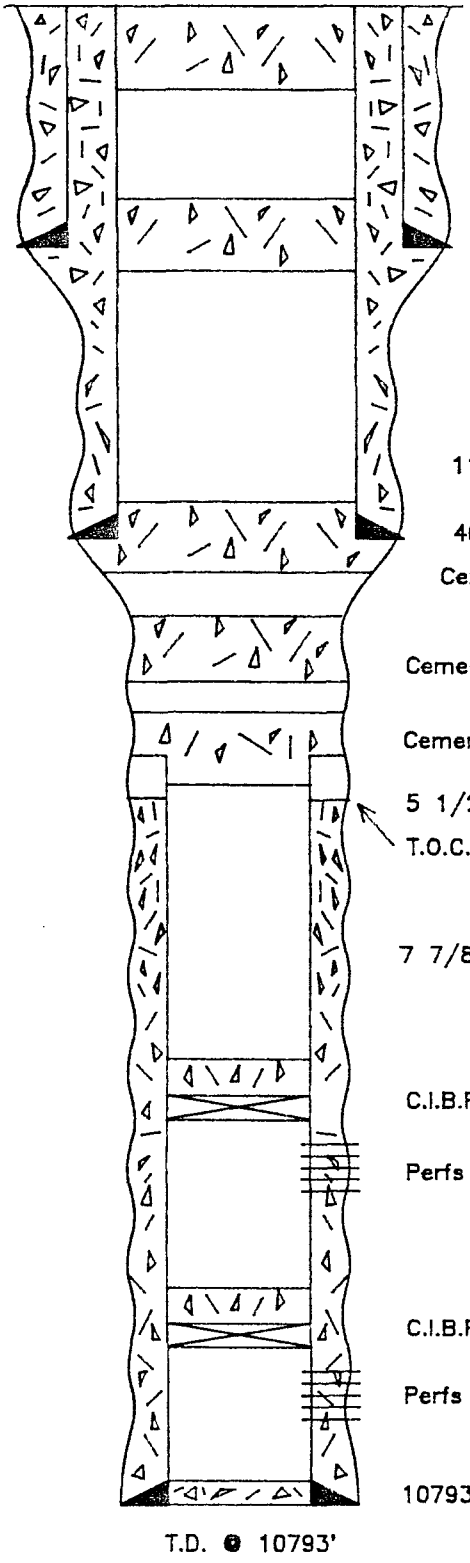
CURRENT WELLBORE STATUS
6/28/2007



LYNX PETROLEUM CONSULTANTS
Sprinkle Federal No. 2
660' FNL & 330' FEL
Section 9, T-19S, R-35E
Lea County, New Mexico

Yates Petroleum Corp.
Plugged and Abandoned
5/87

Elev. 3844' G.L.



10 sxs Surface Plug

17 1/2" Hole Size

500' – 13 3/8" csg. Cemented w/550 sxs Circulated.
Cement Plug 450' – 550'

11" Hole Size

4037' – 8 5/8" csg. Cemented w/1850 sxs Circulated.
Cement Plug 3988' – 4088'

Cement Plug 5200' – 5300'

Cement Plug 6905' – 7005'

5 1/2" csg. Cut and Pulled at 6955'
T.O.C. @ 7115' (Cement Bond Log)

7 7/8" Hole Size

C.I.B.P. @ 8900' w/35' Cement

Perfs 8978' – 8999' (Bone Springs)

C.I.B.P. @ 10375' w/35' Cement

Perfs 10465'–10650' (Wolfcamp)

10793' – 5 1/2" csg. Cemented w/820 sxs

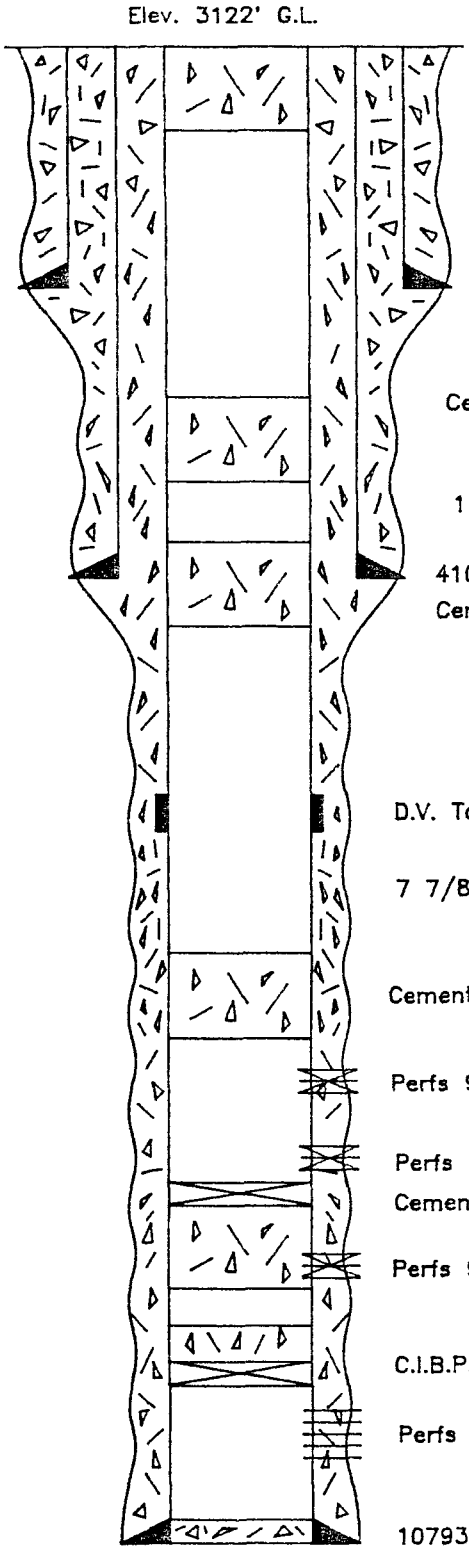
T.D. @ 10793'

Vacuum State No. 3
660' FNL & 1980' FWL Un. C
Sec. 10, T–19S, R–35E

Getty Oil Co. (Texaco)

Plugged and Abandoned

3/9/85



10 sxs Surface Plug

17 1/2" Hole Size

425' – 13 3/8" csg. Cemented w/450 sxs Circulated.

Cement Plug 1753' – 1900'

11" Hole Size

4100' – 8 5/8" csg. Cemented w/1500 sxs Circulated

Cement Plug 4005' – 4152'

D.V. Tool @ 6027'

7 7/8" Hole Size

Cement Plug 8958' – 9230'

Perfs 9094'–9104' Sqz'd w/250 sxs

Perfs 9086'–9114' Sqz'd w/200 sxs

Cement Retainer set and Sqz'd w/150 sxs

Perfs 9469'–9620'

C.I.B.P. @ 10550' w/2 sxs cement

Perfs 10576'–10716' (Wolfcamp)

10793' – 5 1/2" csg. Cemented 1st Stage w/950sxs Circ. to D.V.

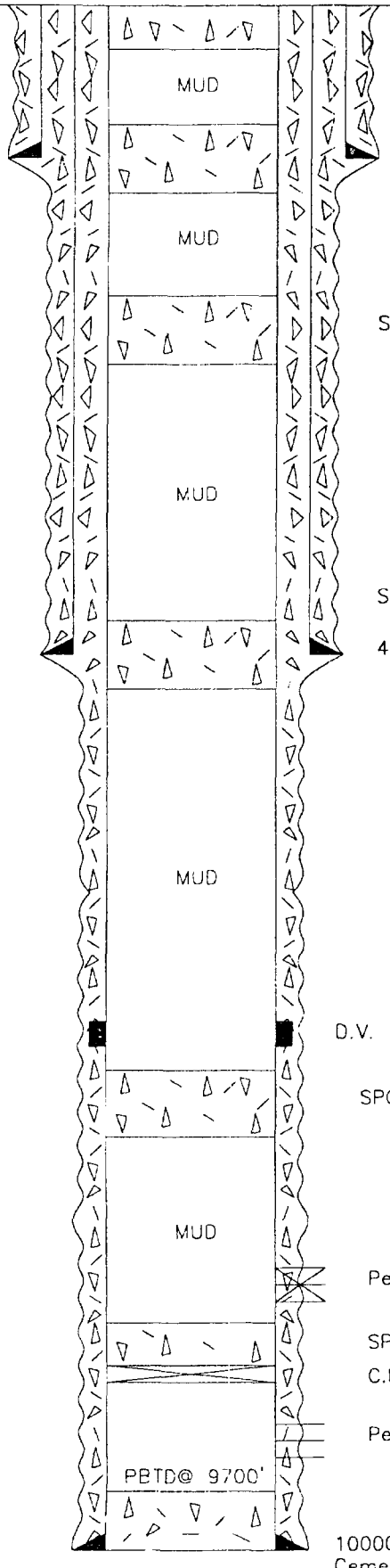
2nd Stage w/875 sxs Circ. to Surface

Scharb "10" State No. 1
1980' FSL & 660' FWL Un. L
Sec. 10, T–19S, R–35E

Elevation 3823' G.L. +17' K.B.

ACTUAL PLUG & ABANDONMENT

8/23/96



SPOT 10 SXS SURFACE PLUG

SPOT 25 SXS CEMENT 324'–485'
410' – 13 3/8" Csg. Cemented w/450 sxs Circulated

SPOT 25 SXS CEMENT 1526'–1675' (TOP OF SALT)

SPOT 25 SXS CEMENT 4021'–4170'

4120' – 9 5/8" Csg. Cemented w/1800 sxs. Circulated

D.V. Tool @ 6514'

SPOT 25 SXS CEMENT 6851'–7000'

Perfs 9361'–9435' SQZ'd w/150 sxs (1/90)

SPOT 10 SXS CEMENT ON TOP OF C.I.B.P.

C.I.B.P. @ 9450'

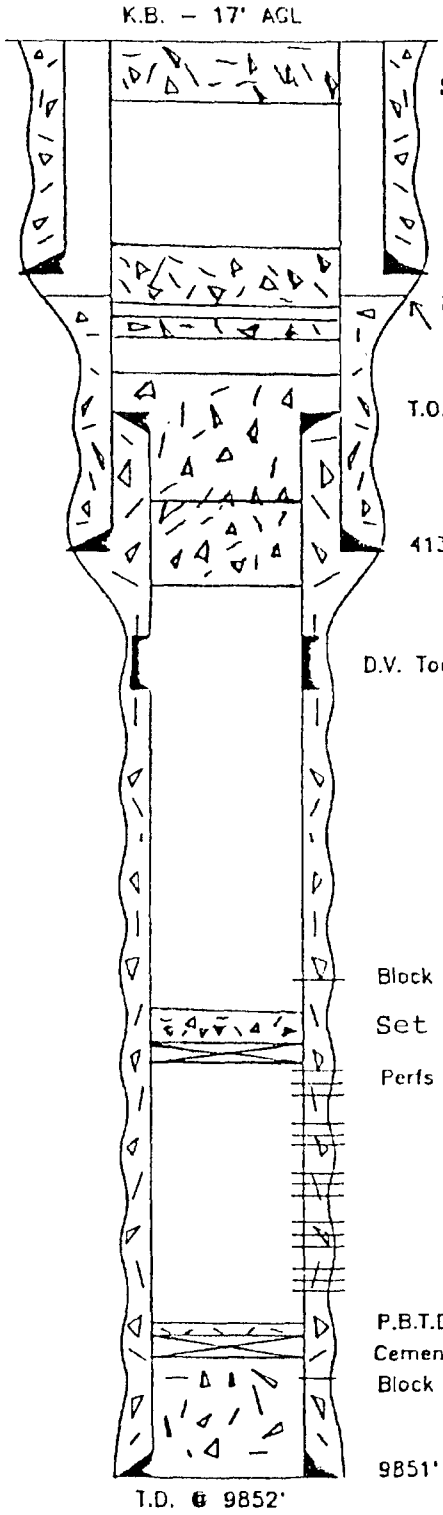
Perfs 9493'–9578'

10000' – 7", 23# & 26# Csg.
Cemented w/1439 sxs. Circulated.

T.D. @ 10000'

LYNX PETROLEUM
Government "9" No. 1
1980' FNL & FEL
Section 9, T–19S, R–35E
Lea County, New Mexico

Lynx Petroleum



Set 50' (17 sxs) cement plug at surface

430' – 13 3/8" csg. cmt. w/450 sxs circ. 150 sxs to surface

Set 100' (34 sxs) cement plug @ 13 3/8" shoe 360-460'

Set 50' (17 sxs) cement plug across top salt 1575-1625'. Set 600'cement plug (112 sxs) across 7" line top (3705') & 9 5/8" shoe (4135') from 3600-4200'

4135' – 9 5/8", 47# csg. cmt. w/2310 sxs

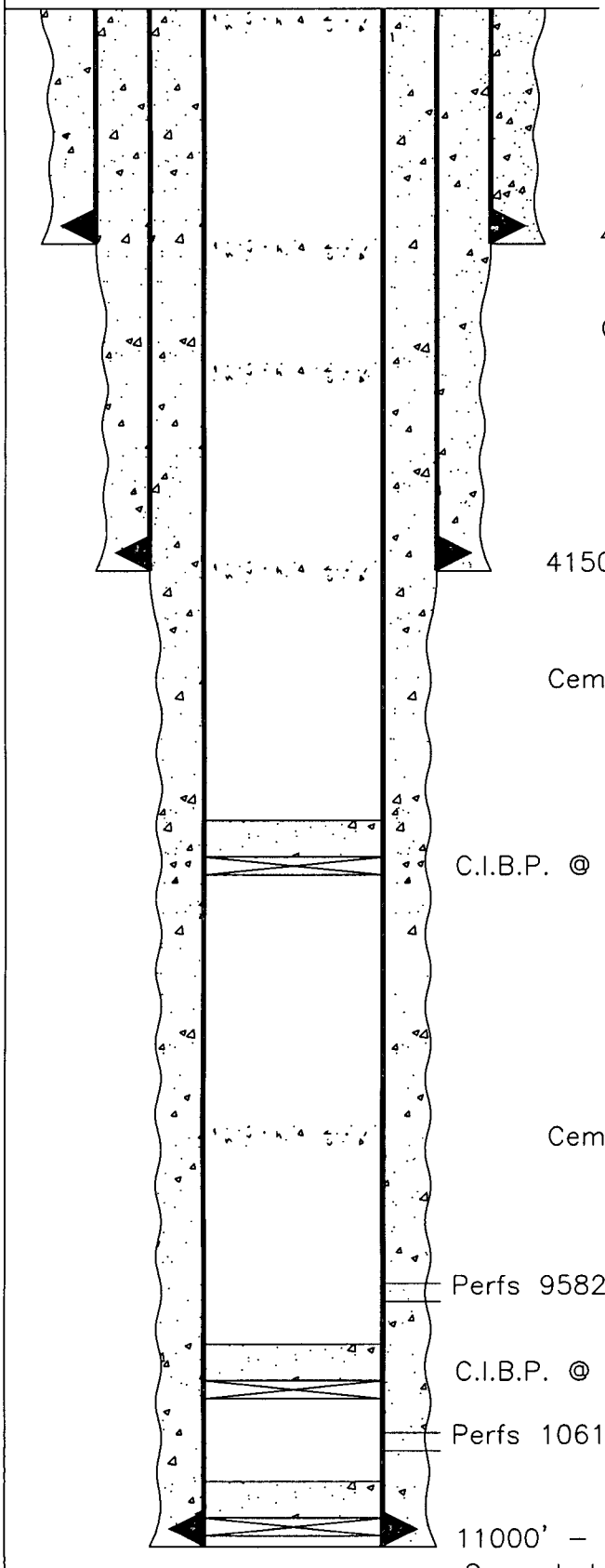
Set CIBP @ ± 9400' plus 35' (6 sxs) cement cap

9851' – 7", 29#, P-110, csg.
Cmt. w/343 sxs in 2 stages

GOVERNMENT "9" NO. 2
1980' FSL & 660'
SEC. 9, T-19S, R-35E

CURRENT WELLBORE
7/31/96

Elevation: 3808' GL



450' – 13 3/8" Casing
Cemented w/650 sxs. Circulated to Surf.

Cement Plugs: Surface
500'–300'

4150' – 9 5/8" Casing
Cemented w/1650 sxs. Circulated to Surface

Cement Plugs: 4150'–3950'
2000'–1800'

C.I.B.P. @ 5100' w/25 sx. Cement on Top

Cement Plug: 6500'–6300'

Perfs 9582'–9732'

C.I.B.P. @ 10400' w/35' Cement on Top

Perfs 10616'–10730'

11000' – 7" Casing
Cemented w/1200 sx. Circulated to Surface

T.D. @ 11000'

Elk Oil Company
Elkan No. 3
1980' FSL & 1980' FEL
Sec. 9, T–19S, R–35E
Lea County, N.M.

TRETOLITE
Chemicals and Services

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Reply to: P.O. Box 5260
Hobbs, New Mexico 88241
(505) 392-6711 Phone
(505) 392-3759Fax

WATER ANALYSIS REPORT

Company : LYNX PETROLEUM
Address : HOBBS, NM
Lease : SPRINKLE FEDERAL
Well : #1
Sample Pt. : WELLHEAD

Date : 08/02/91
Date Sampled : 07/30/91
Analysis No. : 702

	ANALYSIS		mg/L		* meq/L
1.	pH	5.6			
2.	H2S	4 PPM			
3.	Specific Gravity	1.165			
4.	Total Dissolved Solids		223180.5		
5.	Suspended Solids				
6.	Dissolved Oxygen				
7.	Dissolved CO2		160 PPM		
8.	Oil In Water				
9.	Phenolphthalein Alkalinity (CaCO3)				
10.	Methyl Orange Alkalinity (CaCO3)		100.0		
11.	Bicarbonate	HCO3	122.0	HCO3	2.0
12.	Chloride	Cl	137021.3	Cl	3865.2
13.	Sulfate	SO4	600.0	SO4	12.5
14.	Calcium	Ca	16456.8	Ca	821.2
15.	Magnesium	Mg	1502.4	Mg	123.6
16.	Sodium (calculated)	Na	67473.2	Na	2934.9
17.	Iron	Fe	4.7		
18.	Barium	Ba	0.0		
19.	Strontium	Sr	0.0		
20.	Total Hardness (CaCO3)		47282.5		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter

821	*Ca <----- *HCO3	2
	/------->	
124	*Mg -----> *SO4	12
	<----------/	
2935	*Na -----> *Cl	3865

Saturation Values Dist. Water 20 C
CaCO3 13 mg/L
CaSO4 * 2H2O 2090 mg/L
BaSO4 2.4 mg/L

Compound	Equiv wt	X meq/L	= mg/L
Ca(HCO3)2	81.0	2.0	162
CaSO4	68.1	12.5	850
CaCl2	55.5	806.7	44764
Mg(HCO3)2	73.2		
MgSO4	60.2		
MgCl2	47.6	123.6	5884
NaHCO3	84.0		
Na2SO4	71.0		
NaCl	58.4	2934.9	171515

REMARKS:
D. SWEATT / MLAB / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,
ROZANNE JOHNSON

Lynx Petroleum Consultants, Inc.

P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241

505 392-6950 Fax: 505 392-7886

August 10, 2007

CERTIFIED RETURN RECEIPT
7007 0220 0001 1731 8955

Mr. Kress Jones
3729 West Sanger
Hobbs, NM 88240

Re: Sprinkle Federal No. 3 E/2 NE/4 Section 9
Township 19S, Range 35E, Lea County, New Mexico
Salt Water Disposal Contract

Dear Kress:

Per our recent phone conversations, enclosed is a contract covering surface operations and the utilization of the Sprinkle Federal lease for a commercial SWD operation.

Two copies of the contract are included with this letter. Please sign and return one to us at your earliest convenience. The other copy may be retained for your files. Also enclosed is a copy of the State of New Mexico SWD application that we will be filing for approval to convert the Sprinkle Federal No. 3 wellbore to disposal. If you have any objection to our proposed plan you must contact the New Mexico Oil Conservation Division Office, 1220 South St. Francis Drive, Santa Fe, NM 87505 within 15 days of your receipt of this letter.

Thanks in advance for your prompt consideration and do not hesitate to call or write if you have any questions.

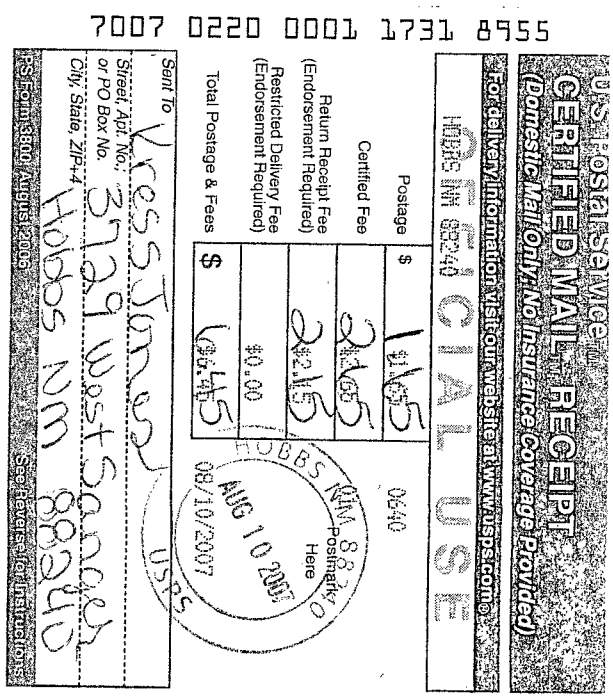
Sincerely,

LYNX PETROLEUM CONSULTANTS, INC.

Larry R. Scott

Larry R. Scott

Cc w/enclosure: Jim Amos – Bureau of Land Management



AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 3

_____ weeks.

Beginning with the issue dated

July 25 2007

and ending with the issue dated

August 8 2007

Kathi Bearden

Publisher

Sworn and subscribed to before me this 8th day of August 2007

Dora Montz

Notary Public.

My Commission expires
February 07, 2009
(Seal)

OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: _____

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 publication has been made.

LEGAL NOTICE
July 25, 2007
August 1, 8, 2007

NOTICE OF WATER DISPOSAL WELL

Lynx Petroleum Consultants, Inc. P.O. Box 1708, Hobbs, NM 88241, 505-392-6950, Contact - Larry R. Scott, has made application to the New Mexico Oil Conservation Division to convert the Sprinkle Federal No. 3 well from a producer into a commercial salt-water disposal well. The well is located in Section 9, T-19S, R-35E, Lea County, New Mexico. Disposal will be into the Bone Springs and Wolfcamp formations between 9,544 and 10,680 feet. Interested parties must file objections or a request for a hearing with the NMOCD, 1220 South St. Francis Drive, Santa Fe, New Mexico, 97505, within 15 days of this notice.
#23418

03100598000 67545087

LYNX PETROLEUM, INC.
P.O BOX 1708
HOBBS, NM 88241

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Yates Pet. Corp.
105 S. 4th St.
Artesia, NM
88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Kathy Donaldson ☐ Agent ☐ Addressee

B. Received by (Printed Name) KATHY DONALDSON C. Date of Delivery 7-13-07

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

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7005 3110 0000 2022 4982

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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1. Article Addressed to:

Chesapeake Oper.
Box 11050
2010 Rankin Hiway
Midland, TX 79702

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) Malerie Almager C. Date of Delivery 7-13-07

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

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
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4. Restricted Delivery? (Extra Fee) ☐ Yes

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ARTESIA NM 88210 OFFICIAL USE

Postage	$ $1.31
Certified Fee	$2.65
Return Receipt Fee (Endorsement Required)	$2.15
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $6.11

Sprinkle SWD

0640 06 Postmark Here JUL 20 2007 USPS ARTESIA NM 88210 07/20/2007 HOBBS

Sent To Yates Pet. Corp.
Street, Apt. No.; or PO Box No. 105 S. 4th St.
City, State, ZIP+4 Artesia, NM 88210

PS Form 3800, June 2002 See Reverse for Instructions

7005 3110 0000 2022 4951

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MIDLAND TX 79702 OFFICIAL USE

Postage	$ $1.31
Certified Fee	$2.65
Return Receipt Fee (Endorsement Required)	$2.15
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $6.11

Sprinkle SWD

0640 06 Postmark Here JUL 20 2007 USPS HOBBS NM 88240 07/20/2007

Sent To Chesapeake Oper.
Street, Apt. No.; or PO Box No. Box 11050, 2010 Rankin Hiway
City, State, ZIP+4 Midland, TX 79702

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:
Nadel & Gussman Permian, LLC
601 N. Marienfeld St., Ste 508
Midland, TX 79701

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

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

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

JUL 21 2007 TX DOW USPS

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7005 3110 0000 2022 4937

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- 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:
Momentum Energy Corp
Box 3398
200 N. Loraine, Ste 610
Midland, TX 79702

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Brandie Knight C. Date of Delivery JUL 25 2007

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

TX DOW USPS

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7005 3110 0000 2022 4975

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

7005 3110 0000 2022 4937

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MIDLAND TX 79701 OFFICIAL USE

Postage	$ 1.31
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ 6.11

Postmark Here 07/20/2007

Sent To: Nadel & Gussman Permian, LLC
Street, Apt. No.; or PO Box No.: 601 N. Marienfeld St.,
City, State, ZIP+4: Ste 508 Midland, TX 79701

PS Form 3800, June 2002 See Reverse for Instructions

7005 3110 0000 2022 4975

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Postage	$ 1.31
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ 6.11

Postmark Here 07/20/2007

Sent To: Momentum Energy Corp.
Street, Apt. No.; or PO Box No.: Box 3398, 200 N. Loraine.
City, State, ZIP+4: Ste 610 Midland, TX 79702

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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- 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:

Forest Oil Permian Corp
707 17th St, Ste 3600
Denver, CO 80202

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery 8/17/7

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

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7007 0220 0001 1731 8986

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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- 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:

Exxon Mobil
800 Bell St.
Houston, TX 77002

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ 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
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7005 3110 0000 2022 4944

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

7007 0220 0001 1731 8986

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Sent To: Exxon mobil
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City, State, ZIP+4: Houston TX 77002

PS Form 3800, June 2002 See Reverse for Instructions

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, August 29, 2007 4:49 PM
To: 'lrscott@leaco.net'
Cc: Ezeanyim, Richard, EMNRD
Subject: SWD Application: Sprinkle Federal #3 API No: 30-025-28521

Tracking:

Recipient	Read
'lrscott@leaco.net'	
Ezeanyim, Richard, EMNRD	Read: 8/30/2007 8:31 AM

Hello Larry Scott:
Received your application to resume injection into this well - with Bone Spring and Wolfcamp perfs.

1) Please send a post conversion, wellbore diagram.

2) Please send a rough plotted history of injection (Injection Rate vs Time) into this well - while it was a Wolfcamp injection well operated by Lynx.
What was the normal injection pressure into the Wolfcamp within the last year or so of injecting? (was it tight)

3) Does Lynx still own the mineral rights in the Bone Spring?
What happened to the Bone Spring production? What and where is the nearest active Bone Spring producer and what is the production capability of the Bone Spring now in this area? What is the structure or strat trap of the Bone Spring in this area and how does this well's location relate to that areally? Even if no more oil can be recovered, what is your estimation of the remaining percentage of OOIP for the Bone Spring in and near this well? and, in your opinion, how could any more Bone Spring oil be recovered in this area? Why hasn't horizontal wells been used or closer spaced vertical wells?

4) Since this will be a commercial SWD, how will the surface facilities by affected by this? Will water be trucked in? Will the tank battery be near the well?

5) The surface location is owned by the BLM? Please send proof that they (surface owner) are aware of this application.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Lynx Petroleum Consultants, Inc.
P.O. Box 1708
3325 Enterprise Drive
Hobbs, New Mexico 88241
505 392-6950 Fax: 505 392-7886

September 4, 2007

Mr. William Jones
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

Re: SWD Application: Sprinkle Federal No. 3, API No. 30-015-28521
Your E-mail (attached) of 8/29/2007

Dear Will:

1. A proposed post conversion diagram is attached.
2. All water produced by the Sprinkle Federal No. 1 was injected into the Wolfcamp in the No. 3 subsequent to its conversion to an injector. Enclosed is the production curve for the No. 1 including water production. A small triplex pump was installed years ago when the well was first converted to injection but has not been in service for a very long time (we are guessing 10+ years). Since that time the well has taken all of the Sprinkle No. 1 water on a vacuum.
3. The Sprinkle lease is HBP. The 2nd Bone Springs carbonate is a vugular and fractured dolomitized debris flow with very good permiability. Bottom hole pressure in this reservoir is extremely low, on the order of 25-50 psi. Of the 94 wells originally completed in this field, only 8 remain active with the closest being the Forest Oil Permian Corporation's Scharb '9' No. 2 located in Unit F of Section 9, T-19S, R-35E. This is approximately ½ mile from our proposed injector. I have enclosed a copy of the paper by Mazullo and Reid which details the depositional environment and structure of the Scharb field. Basically the dip is northeast to southwest with the Sprinkle No. 3 located at the northeast edge of the field. Bone Spring porosity is completely absent east of our location. We have not done an extensive field analysis to determine the percentage of original oil remaining in place. The close well spacing coupled with high permiabilities and extremely low bottom hole pressures would lead to a conclusion that the field has already been effectively drained. The high permiability reservoir characteristics also work against additional recovery either with horizontal technology or waterflooding.
4. We plan to use the existing tank battery (perhaps augmented to provide additional settling/oil recovery time) currently located adjacent to the Sprinkle Federal No. 1. Water will be trucked in with a possibility of a short pipeline constructed to an unloading station off U.S. 62/180 south of the well.

5. The surface is locally owned by Kress Jones and a surface use Agreement has already been signed by all parties. A copy is available for your review if required.

I hope that I have addressed all of your questions but don't hesitate to call, E-mail or write if you have any additional. Thanks in advance for your consideration.

Sincerely,

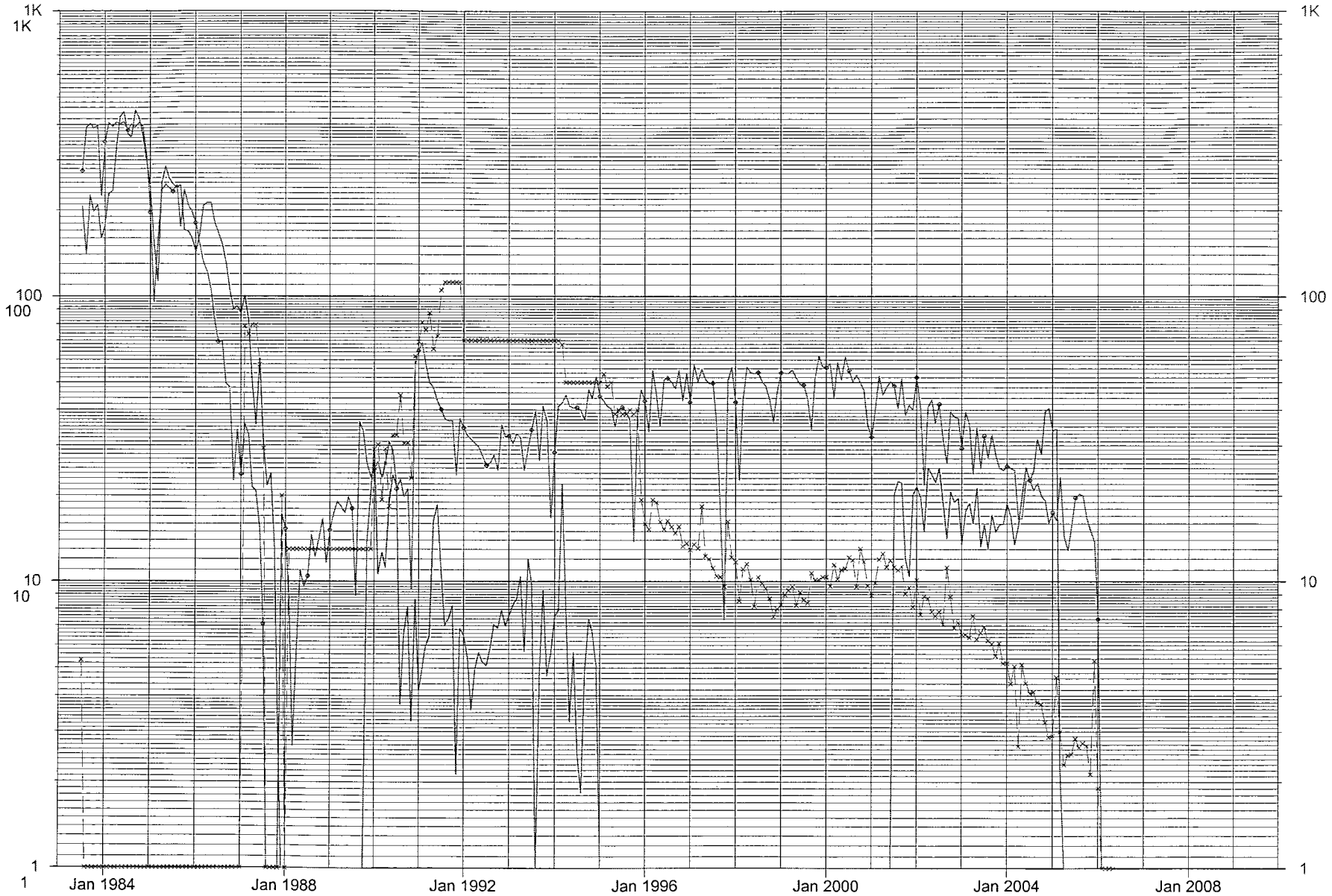
LYNX PETROLEUM CONSULTANTS, INC.

Larry R. Scott

Larry R. Scott

Field: SCHARB (BONE SPRING) 55610
Operator: LYNX PETROLEUM CONSULTANTS INC 013645
Lease Name: SPRINKLE FEDERAL 001
LPD ID: 300252822155610
Location: 19S35E09H

County, State: LEA, NM
Status and Date: ACT 1983/07/01
District: 1, Phase: OIL
Gas Cum: 353773, Oil Cum: 551027



Monthly Daily Average Gas Produced
Monthly Daily Average Water
Monthly Daily Average Oil Produced

Rate Vs Time Graph All Data- Gas, Oil, Water

CD Date: 200704

Stratigraphy of the Bone Spring Formation (Leonardian) and Depositional Setting in the Scharb Field, Lea County, New Mexico

Louis J. Mazzullo
Nearburg Producing Company
Midland, Texas

A. M. Reid, II
Geological Consultant
Midland, Texas

ABSTRACT

The Scharb Field of Lea County, New Mexico is oil-productive from allochthonous (detrital) carbonates of the Bone Spring Formation (Leonardian). The carbonate reservoirs are found in the Lower Bone Spring (formerly referred to as the Wolfcamp), and beneath the Second and First Bone Spring sandstones. These detrital carbonates were derived by erosion of coeval Leonardian shelves which were located up to 12 miles north of the sites of deposition, in contrast to the carbonate wedges of other fields along the Bone Spring trend which were deposited on the immediate foreshelf.

INTRODUCTION

The Bone Spring Formation in the subsurface of southeastern New Mexico is a sequence of more than 2,000 feet of basinal carbonates, sandstones, and shales which are temporally equivalent to Leonardian carbonates of the Northwest Shelf and Central Basin Platform (variously referred to as Yeso, Abo, Clear Fork, and Wichita). The shelf marginal facies on the Northwest Shelf in Lea County, colloquially referred to as "Abo" carbonates, have produced substantial amounts of oil in such fields as Vacuum, Corbin and Lovington. The Bone Spring Formation is oil-productive from allochthonous (detrital) basinal carbonates and sandstones in Lea County and eastern Eddy County, New Mexico (e.g., Wiggins and Harris, 1985). The carbonate reservoirs here are developed from 2 to 12 miles basinward of coeval Leonardian shelf edges and include such fields as Scharb, Airstrip, Midway, Lea, Mescalero Escarpe, and Young (fig. 1). Sandstone reservoirs in the Bone Spring Formation are important in the Querecho Plains (QP), and E-K Fields, which are slightly basinward of the carbonate fields.

Although many companies have been active in the Bone Spring trend of Lea County, very little information has been published on the stratigraphy and depositional settings of these important reservoirs. The detrital nature of the carbonate reservoirs has been described from a core study of the Airstrip Field (Wiggins and Harris, 1985), and in the Scharb and Mescalero Escarpe Fields (Luff, 1967 and Friedman et al., 1986). The exact age relationships of the various producing horizons in the Bone Spring fields have not yet been formally addressed.

The Bone Spring Formation was studied over a large area of Lea County through the use of sample analyses, subsurface correlations, and fusulinid biostratigraphy. The results of this study provide a review of the tectonic and sedimentological history of the subsurface Leonardian section in Lea County and will be further elaborated on in future papers (L. J. Mazzullo, 1987; S. J. Mazzullo et al., 1987). The purpose of this present paper is to discuss the stratigraphy of the basinal Leonardian section in the northern Delaware Basin and relate it to the carbonate producing zones and depositional history of the most complex Bone Spring reservoir system in the area, represented by the facies in the Scharb Field.

LOCATION AND STRATIGRAPHIC SETTING

Figure 1 is a location map showing the present structur outlines in the subsurface of central Lea County, New Mexic and the locations of the major Bone Spring fields in relation the Leonardian shelf edge. The Leonardian shelf is approximate 18 miles north of the Upper Permian Northwest Shelf-edge, b the Bone Spring fields are all within Leonardian (Lower Permia basinal settings.

Subsurface correlations of the Bone Spring section are rel tively easy at distances from the Leonardian shelf, and the hi density of wells along the Bone Spring trend make compariso among wells fairly straightforward. Figure 2 presents t fusulinid biostratigraphy of the Bone Spring Formation in t northern basin analyzed from the Sinclair #1-403 State (Se 22-Twp. 18S-Rge.35E) and correlated to a type log in the Scha Field, 3½ miles to the south. The Sinclair well was selected f analysis because of unusually large well cuttings with excelle suites of undolomitized fusulinids and good correlations lithologies to the well log. Over thirty samples of orient fusulinids were examined and assigned ages; sample cuttin were also examined, described, and compared to suites of w samples (cuttings) examined from the Scharb Field.

All of the Earliest Leonardian fusulinids found below the b of the Third Bone Spring sandstone in the Sinclair well belo in the *Schwagerina crassitectoria* assemblage subzone which the earliest Leonardian fusulinid zone recognizable (S. J. M zullo et al., 1987). This suite of fusulinids confirms the presen of Leonardian strata below the base of the Third Bone Spri sandstone in Lea County, several hundred feet above the top the first appearance of Wolfcampian fossils. These Early Leon dian fusulinids are the same age as the Earliest Leonard for found in the Midland Basin immediately below the Dean S (S. J. Mazzullo and Reid, 1987; S. J. Mazzullo and Reid, press), lending credence to the correlation of the Dean Sand the Midland Basin to the Third Bone Spring sand in the Delaw Basin. In addition, fusulinid ages suggest that the Second B Spring sandstone in the Sinclair well is correlative to the Lo Spraberry of the Midland Basin (S. J. Mazzullo et al., 198

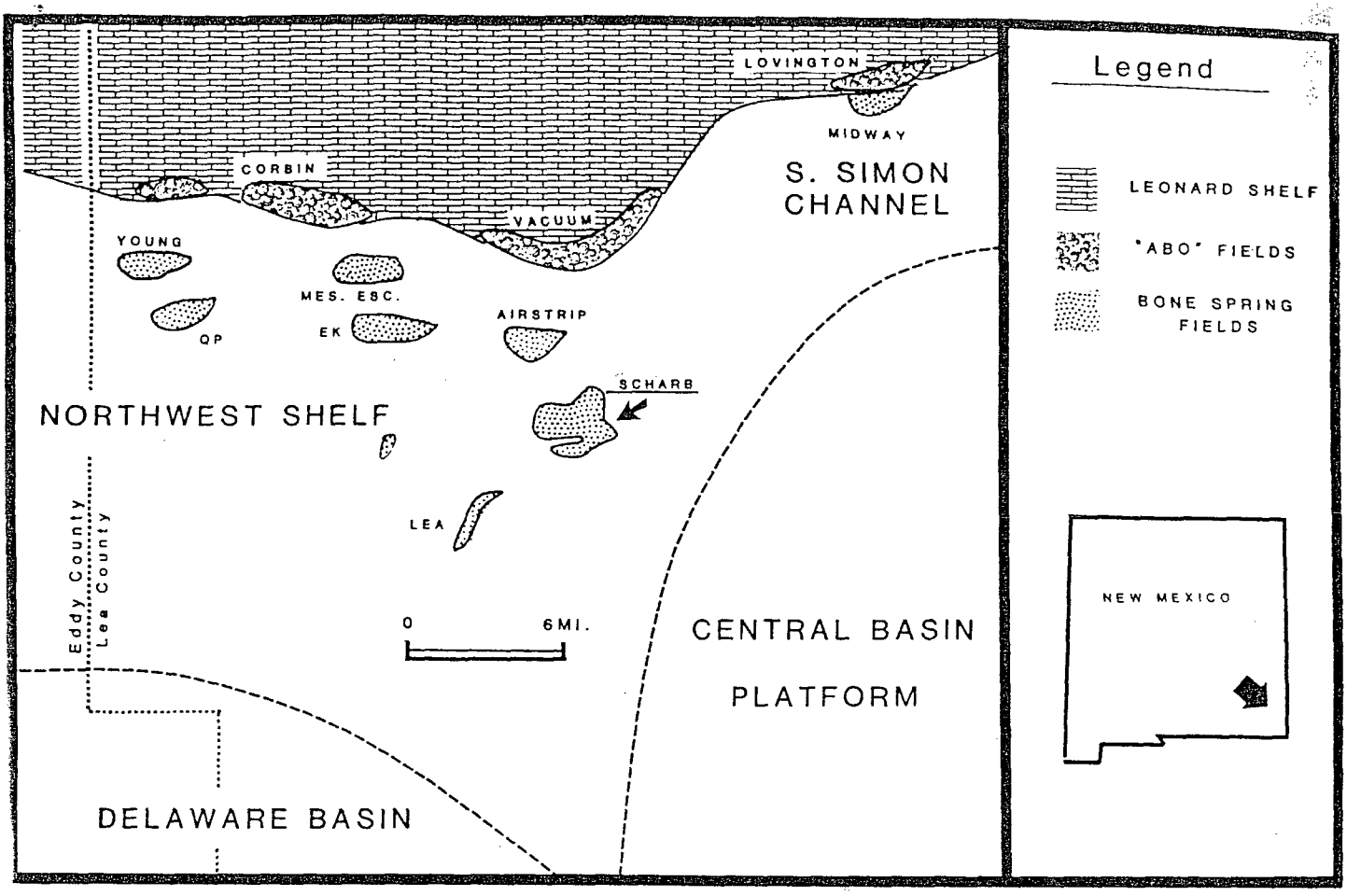


Figure 1. Location of the Scharb Field and Bone Spring trend of Lea County, New Mexico. Dashed lines are outlines of Late Permian structural subdivisions.

THE SCHARB FIELD

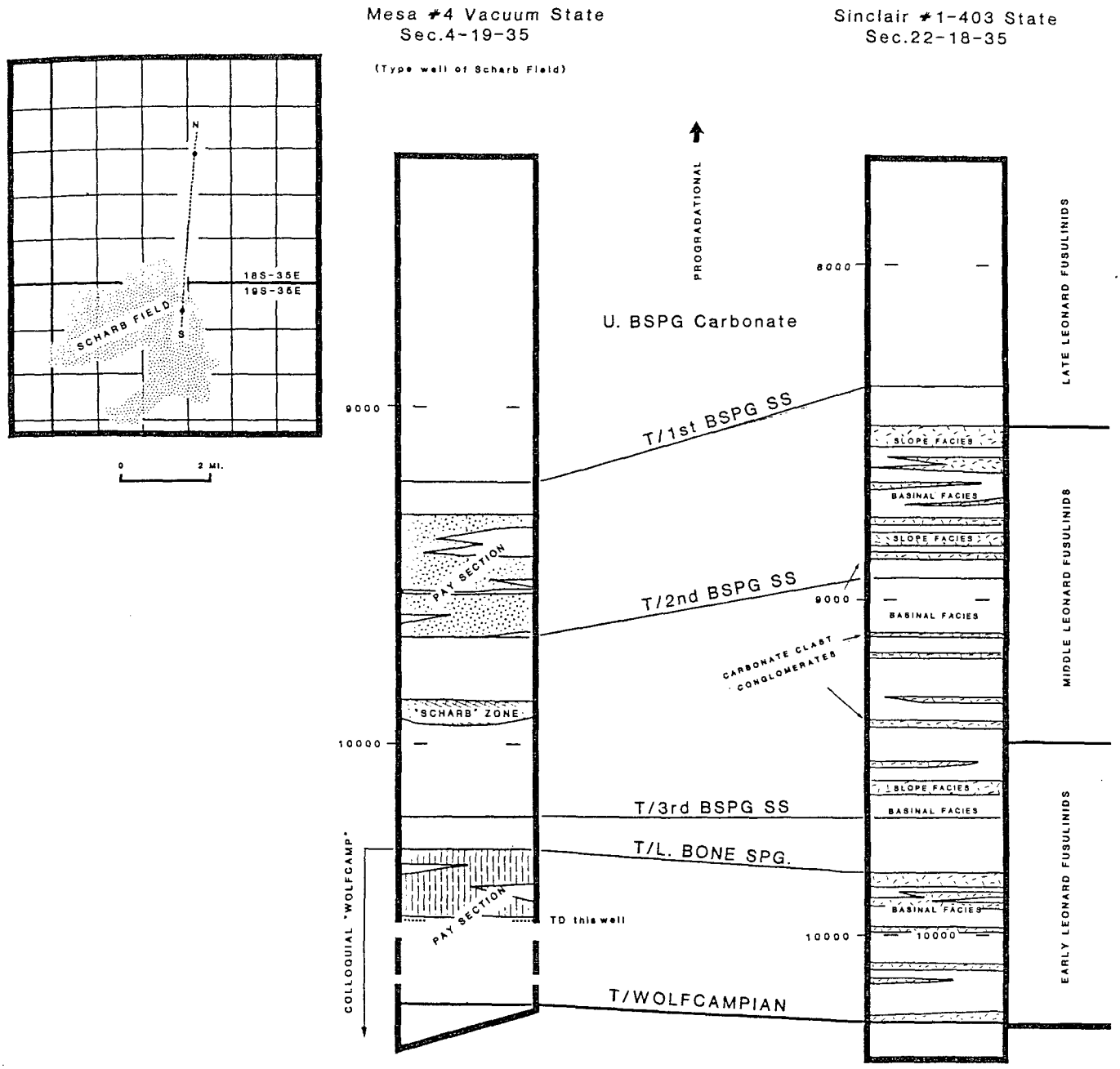
The Scharb Field pays from three zones indicated by the different patterns on the type log in Figure 2. As of early 1986, this field has produced in excess of 11,500,000 barrels of oil from 61 active wells. Production was first established in the field in 1962 in the Marathon #1 State "NPA" in Sec. 6, T.19S-35E (Luff, 1967). Reservoirs are all solution gas-drive types and are stratigraphic traps developed by the encasement of porous carbonates in tight, basinal, and slope carbonates and shales.

The Scharb Field is by far the most complex in the Bone Spring trend in terms of the number of different zones from which it pays. The two most important pay zones contributing to total oil reserves are immediately above the top of the Second Bone Spring sandstone and immediately below this same sandstone (the latter is referred to by some operators as the "Scharb Zone"). The third and least important zone is what has been called the Wolfcamp, located immediately below the Third Bone Spring sandstone. It has traditionally been assumed that the carbonate unit below the Third Bone Spring sandstone was the upper part of the Wolfcamp, but the fusulinid stratigraphy now puts the Wolfcamp contact further down in the section (fig.) (S. J. Mazzullo et al., 1987). Although Wolfcamp fusulinids have been identified in carbonate clasts within the Lowest Leonard section, they represent reworked material deposited with Lower Bone Spring detritus.

The pay sections beneath the First and Third Bone Spring sandstones in the Scharb Field are sequences of foreshelf carbonate debris flows interbedded with basinal shales and dark, micritic carbonates. This conclusion is based upon examination of well cuttings from several wells in the field and comparison to well cuttings and core descriptions (Wiggins and Harris, 1985) from the neighboring Airstrip Field (fig. 1). Lithologies in these pay zones range from shaly to cherty dolomite wackestones. The Scharb Zone appears to be a single major debris flow up to 65 feet thick and is comprised of vugular, dolomitized limestone with visible oxidized clasts. Most of the clasts in the Airstrip Field and presumably in the Scharb Field represent reworked shelf carbonates (Wiggins and Harris, 1985 and Friedman et al., 1986).

Figure 3 is a structure map drawn on top of the Second Bone Spring sandstone in the Scharb Field, showing the wells which pay from the three gross pay zones (using the same patterns as in Figure 2). Many wells pay from two or more of the zones as indicated (fig. 3) where the patterns overlap. The structure contours are sub-parallel to the western margin of the Central Basin Platform on the east side of the field, but parallel the Leonardian shelf on the north side of the field. The subtle nosing of structure on the west side of the field corresponds to the stratigraphic buildup of detritus in the underlying "Scharb Zone." Isopachs of individual detrital units within the various pay zones indicate transport directions of detritus from the shelf to the south-southwest.

The change in strike of the structural contours on top of the Second Bone Spring sandstone (fig. 3) is believed to reflect the influence of a topographic trough which persisted throughout much of Leonardian time. Figure 4 is a structure map of the underlying "Atoka shale." It shows steep southwesterly dip with no obvious change in structural strike on the north side of the



Fiqure 2. Leonardian fusulinid stratigraphy in the Scharb Field area, determined from the Sinclair #1-403 State. Footages are log dept in each well.

Scharb Field. The Leonardian trough may have served as a conduit for detritus which was periodically deposited at the site of the Scharb Field. This trough could have been a continually reactivated zone of weakness which was originally established during the Early Wolfcampian uplift of the adjacent Central Basin Platform. Detrital sediment was probably shed from the shelf from sites northeast of the Vacuum Field (fig. 1) and deposited at the site of the Scharb Field.

DEPOSITIONAL HISTORY OF THE SCHARB FIELD

At various times during depositon of the Bone Spring Formation, debris flow deposits from the Leonardian shelf were deposited in what has become known as the Scharb trend in Lea and eastern Eddy counties. Lithoclastic debris was transported into the basin and deposited in a discontinuous trend (Friedman et al., 1986). With the exception of the deposits of the Scharb Field, the fields along the trend are located fairly close to t shelf edge. The results of our study indicate that the detritus the Scharb Field may have been largely derived from the sh as much as 12 miles to the north.

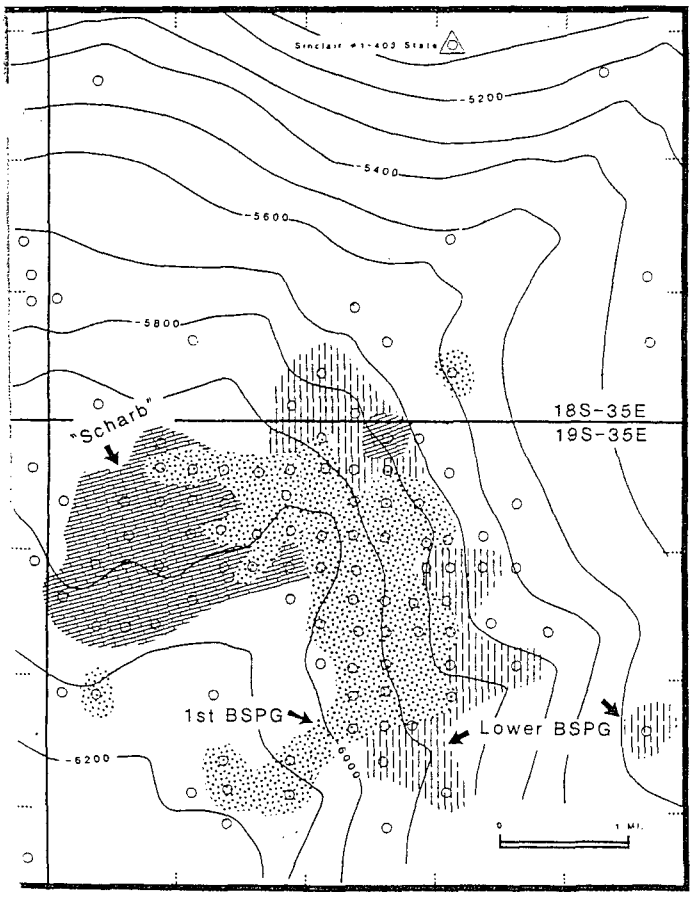
The debris flow facies of the various Bone Spring fields alc the trend are all encased in basinal micritic carbonates, shal and sandstones. The vertically sporadic occurrence of these c bonates may indicate periods when sea level dropped, with resultant erosion of the shelf edge and mass wasting on to slope (Friedman et al., 1986). These processes are similar those invoked for some Wolfcampian and Leonardian depo of the Midland Basin (S. Mazzullo, A. Reid, and S. Reid, 198 In the case of the Scharb Field, transport of detritus was alc a gentler slope from greater distances away from the shelf along the persistent topographic trough (fig. 3). Changes relative sea level may have been caused by tectonic events wh periodically affected this area, most especially in the Sch

area because of its proximity to the western margin of the Central Basis Platform (Font, 1985).

Figure 5 is a schematic block diagram (not to scale) showing the depositional settings proposed for the major Bone Spring carbonate fields along the Lea County trend. It shows that the debris flow units of Airstrip, Mescalero Escarpe, Young, and Midway (erroneously termed an Abo field) Fields are all situated close to their respective shelf edges. Wiggins and Harris (1985) postulated that there was approximately 1500-2000 feet of shelf-to-basin topographic relief during deposition of the uppermost debris flow units (immediately below the First Bone Spring sandstone) in the Airstrip Field. Our studies indicate similar settings for the carbonate debris flow units of the Mescalero Escarpe, Young, and Midway Fields (with slightly less relief around the Midway Field) (fig. 1), indicating that those carbonates were deposited as a series of detrital wedges at the base of the foreshelf slope.

In contrast to these fields, the Scharb detrital units are displaced farther from the shelf edge. Figure 2 shows that intervals equivalent to the various pays in the Scharb Field in the Sinclair #1-403 State are all comprised of slope to basinal facies which contain numerous interbeds of carbonate conglomerate. This well is 3½ miles north of the Scharb Field and 9 miles south of the Leonardian shelf on the gently dipping Leonardian slope. It is situated on the west side of the basin trough defined on the Second Bone Spring structure map (fig. 3) within the depositional bypass zone of the Scharb sediments.

Figures 1 and 5 show that the Leonardian shelf-edge contains



gure 3. Structure map, top of the Second Bone Spring sandstone, charb Field. Contour interval 100 feet. Open circles denote structural control wells, triangle indicates fusulinid control well. Patterns f various producing zones same as in Figure 2.

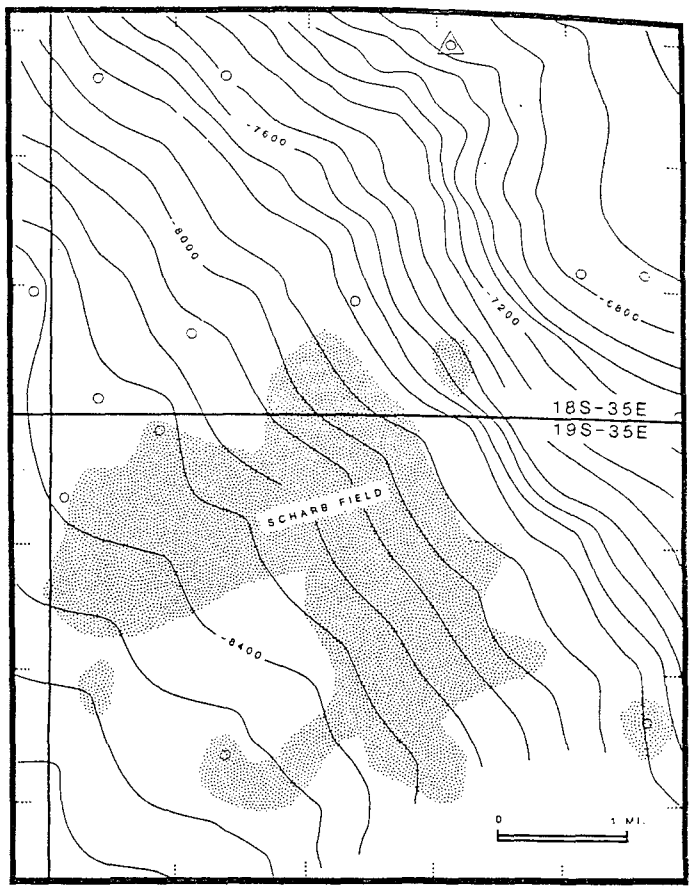


Figure 4. Structure map, top of "Atoka shale," Scharb Field, contour interval 100 feet. Open circles denote control wells.

a discontinuous trend of productive carbonate reservoirs colloquially referred to as "Abo" fields, and that the shelf-edge trend abruptly turns northward east of the Airstrip and Vacuum Fields. There is a wide gap of non-productive shelf carbonates between the Vacuum and Lovington Fields. The abrupt change in the trend of the Leonardian shelf corresponds to the appearance of the basinal trough described in Figure 3. The change in trend of the shelf and the location of the trough are possibly functions of tectonic instability along the western margin of the Central Basin Platform and near the San Simon Channel, and these features influenced the profile of the submarine slope north of the Scharb Field, creating a relatively wide depositional bypass zone at various times throughout Leonardian time. The lack of productive shelf-edge carbonate may be related to intense erosion of the shelf which contributed detritus to the Scharb site.

Deposition of major Bone Spring carbonate debris wedges becomes increasingly limited in the Leonardian section westward along the Bone Spring trend, specifically to the interval between the First and Second Bone Spring sandstones (fig. 5), which indicates that the depositional basin had undergone greater subsidence towards the east (this study and Friedman et al., 1986). The Scharb Field contains three major pulses of debris flow units, indicating that its source and general depositional area were relatively unstable throughout the Leonardian. Instability in the shelf source and depositional areas of the Scharb carbonates caused numerous periods of detrital influx further down the slope relative to the other fields along the trend.

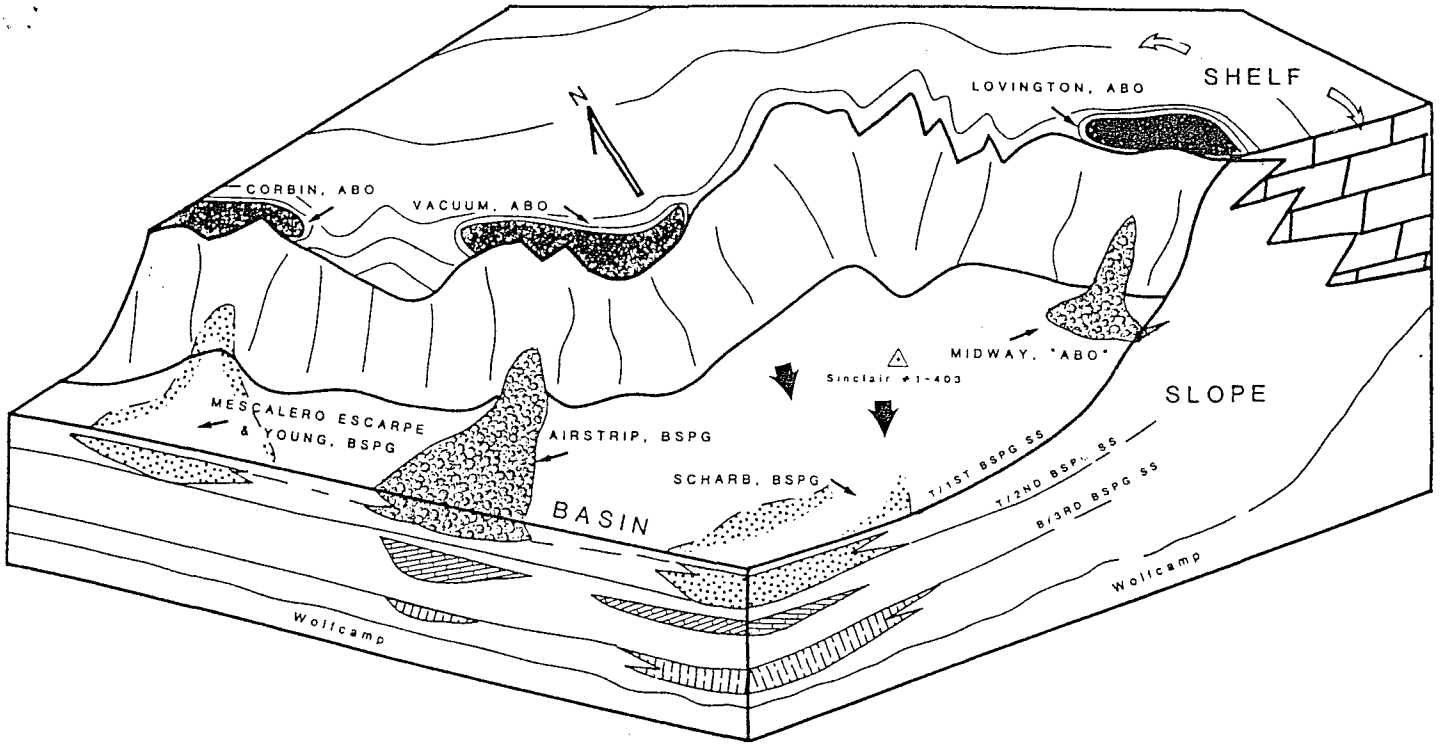


Figure 5. Schematic block diagram of Leonardian depositional environments along the Scharb trend, Lea County. Not to scale. Large black arrows denote sediment dispersal directions into Scharb area.

ACKNOWLEDGEMENTS

Most of the subsurface correlations and sample analyses were performed by the senior author as part of a larger study for Nearburg Producing Company. We wish to thank Charles E. Nearburg, President, for permission to publish some of the results of our work and B. G. Arrant for his assistance in compiling data. S. J. Mazzullo kindly reviewed the manuscript, and Sara Robbins prepared the oriented thin sections for the fusulinid work.

REFERENCES

Font, R. G., 1985, Late Paleozoic structural patterns of the Delaware Basin. West Texas and southeastern New Mexico; *in* Structure and Tectonics of Trans-Pecos, Texas, WTGS Publ. 85-81, p. 77-80.

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Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, September 12, 2007 6:23 PM
To: 'lrscott@leaco.net'
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: SWD Application: Sprinkle Federal #3 API No: 30-025-28521

Hello Larry: (RULE 40 PROBLEMS)

Just did a quick check of the inactive well status for Lynx Petro. Consultants Inc. OGRID 13645 and it has 3 out of 55 wells as inactive. Rule 40 only allows 2 inactive unless you operate more than 100 wells - and prohibits injection permits until then.

To remedy this - call or email Attorney: Gail MacQuesten (476-3451) to schedule when to return enough wells to active status and thereby get an "agreed compliance" order - I am told you can get this in a hurry if you really want to.

I have to wait until the web site comes up clean to release the SWD - so you must first get the ACO worked out with Gail and then get Hobbs district office to process the ACO for each well in the ACO.

If you think everything has been worked out - then let me know and I will check it often.

Sorry about the hitch - but thanks again for your professional reply.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Jones, William V., EMNRD
Sent: Wednesday, September 12, 2007 4:56 PM
To: 'lrscott@leaco.net'
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: SWD Application: Sprinkle Federal #3 API No: 30-025-28521

Hello Mr. Larry Scott

Thank You for the prompt and thorough reply to my data requests.

Releasing your permit to Mark Fesmire as SWD-426-A

Take Care,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Jones, William V., EMNRD
Sent: Wednesday, August 29, 2007 4:49 PM

Inactive Well List

Total Well Count: 55 Inactive Well Count: 3 Since: 6/19/2006

Printed On: Wednesday, September 12 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-04196	REED SANDERSON UNIT #016	A-9 -20S-36E	A	13645	LYNX PETROLEUM CONSULTANTS INC	F	I	12/1992			
1	30-025-28221	SPRINKLE FEDERAL #001	H-9 -19S-35E	H	13645	LYNX PETROLEUM CONSULTANTS INC	F	O	05/2006			
2	30-015-10397	SWEENY FEDERAL COM #001	M-13-19S-31E	M	13645	LYNX PETROLEUM CONSULTANTS INC	F	O	03/1982		T	3/8/2007

WHERE Ogrid:13645, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

9/19/07 check STILL not good

9/12/07 check

10/1/07 check well BAD

Inactive Well List

Total Well Count: 55 Inactive Well Count: 2 Since: 7/11/2006

Printed On: Thursday, October 04 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-28221	SPRINKLE FEDERAL #001	H-9 -19S-35E	H	13645	LYNX PETROLEUM CONSULTANTS INC	F	O	05/2006			
2	30-015-10397	SWEENY FEDERAL COM #001	M-13-19S-31E	M	13645	LYNX PETROLEUM CONSULTANTS INC	F	O	03/1982		T	3/8/2007

WHERE Ogrid:13645, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Injection Permit Checklist 2/8/07

SWD Order Number 426-A Dates: Division Approved _____ District Approved _____

Well Name/Num: SPRINKLE Fed #3 Date Spudded: ~~7/8/83~~ 7/8/84

API Num: (30-) 025-28521 County: Lea

Footages 1650 FNL/460 FEL Sec 9 Tsp 19S Rge 35E

Operator Name: ~~Mewbourne~~ LYNX Petroleum Consultants INC Contact Larry Scott

Operator Address: PO Box 1708 Hobbs NM 88241

Current Status of Well: BS. Producer Planned Work: Commercial SWD Inj. Tubing Size: 2 7/8

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17½ 13 3/8	350'	400	CIRC
Intermediate	11 8 5/8	3526'	1500	CIRC
Production	7 7/8 5½	10,800'	600	7600 calc.
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion ✓ After Conversion ?

Checks (Y/N): Well File Reviewed _____ ELogs in Imaging _____

(Bone Spring) Attempt NSL-2128-A 7/19/06

Was a WC injector SWD-426 10567-10680 6/12/91

~~HISTORY?~~

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
Capitan Reef			
Cliff House, Etc:			
Formation Above			
Top Inj Interval	9544	Bone Spring	
Bottom Inj Interval	10,680	Wolfcamp	
Formation Below			

1909 PSI Max. WHIP

_____ Open Hole (Y/N)

_____ Deviated Hole (Y/N)

9544 - 10680

Fresh Water: Depths: 0-300' Wells(Y/N) ~~No~~ Analysis Included (Y/N): _____ Affirmative Statement ✓

Salt Water Analysis: Injection Zone (Y/N/NA) _____ DispWaters (Y/N/NA) _____ Types: _____

Notice: Newspaper(Y/N) ✓ Surface Owner BLM Mineral Owner(s) _____

Other Affected Parties: Yates ✓ Chesapeake ✓ Nadel & Gussman ✓ Mewbourne Energy ✓ Forest E ✓ XTO Yates ✓

AOR/Repairs: NumActiveWells 5 Repairs? _____ Producing in Injection Interval in AOR _____

AOR Num of P&A Wells ~~7~~ 1 Repairs? _____ Diagrams Included? _____ RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) ____ AOR STRs: Sec_____Tsp_____Rge_____ UIC Form Completed (Y/N) _____

New AOR Table Filename _____ Sec_____Tsp_____Rge_____ This Form completed _____

Conditions of Approval: Sec_____Tsp_____Rge_____ Data Request Sent _____

AOR Required Work: _____

Required Work to this Well: _____