

DATE IN 7/1/08	SUBSTANCE	ENGINEER W Jones	LOGGERS IN 7/1/08	TYPE SWD	APP NO. PKVRO818340705
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Ray Westall

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.

Randall Harris
Print or Type Name

[Handwritten Signature]
Signature

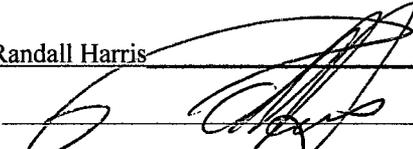
Geologist
Title

07/01/2008
Date

rharrisnm@aol.com
e-mail Address

SWD-977-~~B~~
20-025-28468
State NO#1
 RECEIVED
 2008 JUL 1 AM 10:00

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Ray Westall
ADDRESS: P.O. Box 4, Loco Hills, NM 88255
CONTACT PARTY: Randall Harris PHONE: 575.677.2370
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Randall Harris TITLE: Geologist
SIGNATURE:  DATE: 06/17/2008
E-MAIL ADDRESS: rharrisnm@aol.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: Approved as SWD-977-A

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.

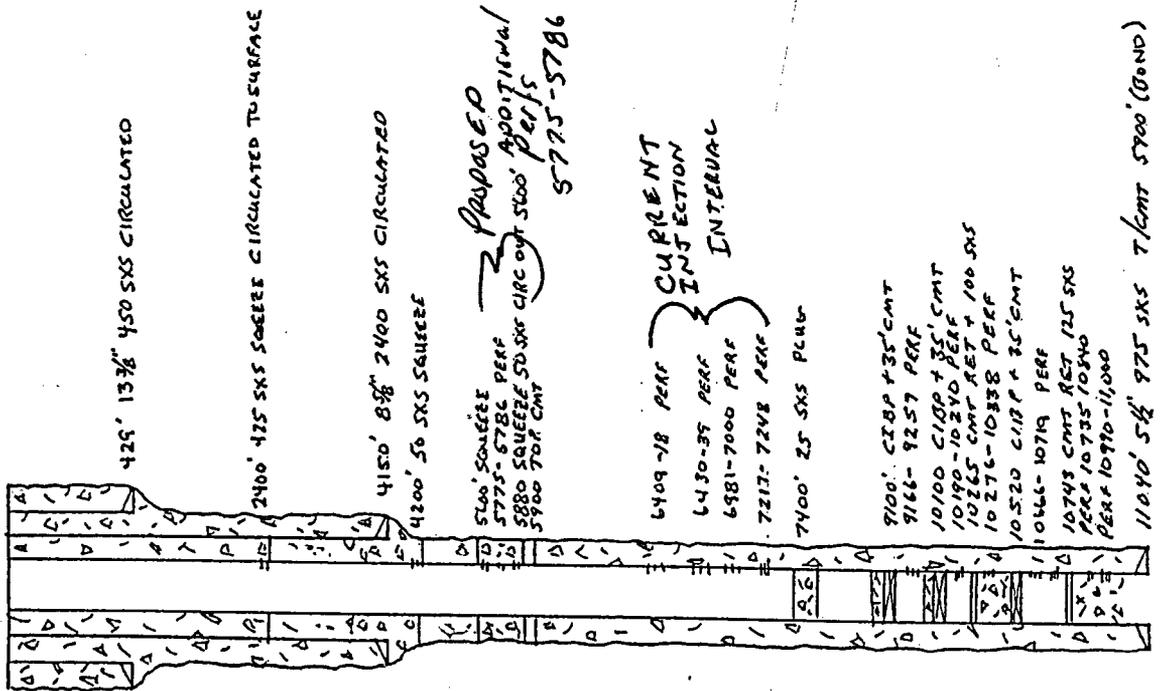
INJECTION WELL DATA SHEET

OPERATOR: Ray Westall

WELL NAME & NUMBER: State NO #1 API 30-025-28468 SWD 977-A

WELL LOCATION: 1980 FNL & 660 FWL UNIT LETTER E SECTION 7 TOWNSHIP 19S RANGE 36E
FOOTAGE LOCATION

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8"

Cemented with: 450 sx. or ft

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

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

Cemented with: 2400 sx. or ft

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 975 sxs TOC 5900 TEMP or ft

Sqz. 50 sxs 5880, Sqz. 25 sxs 4202,
Sqz. 425 sxs 2101 Cmt circulated.

Top of Cement: Surface Method Determined: Circulated

Total Depth: 11,040

Injection Interval

5775 feet to 7248 Perforated

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic

Type of Packer: Baker Loc-set

Packer Setting Depth: 5725

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

Additional Data

1. Is this a new well drilled for injection? _____ Yes _____ No
If no, for what purpose was the well originally drilled? _____ Oil and Gas Exploration _____

2. Name of the Injection Formation: Delaware

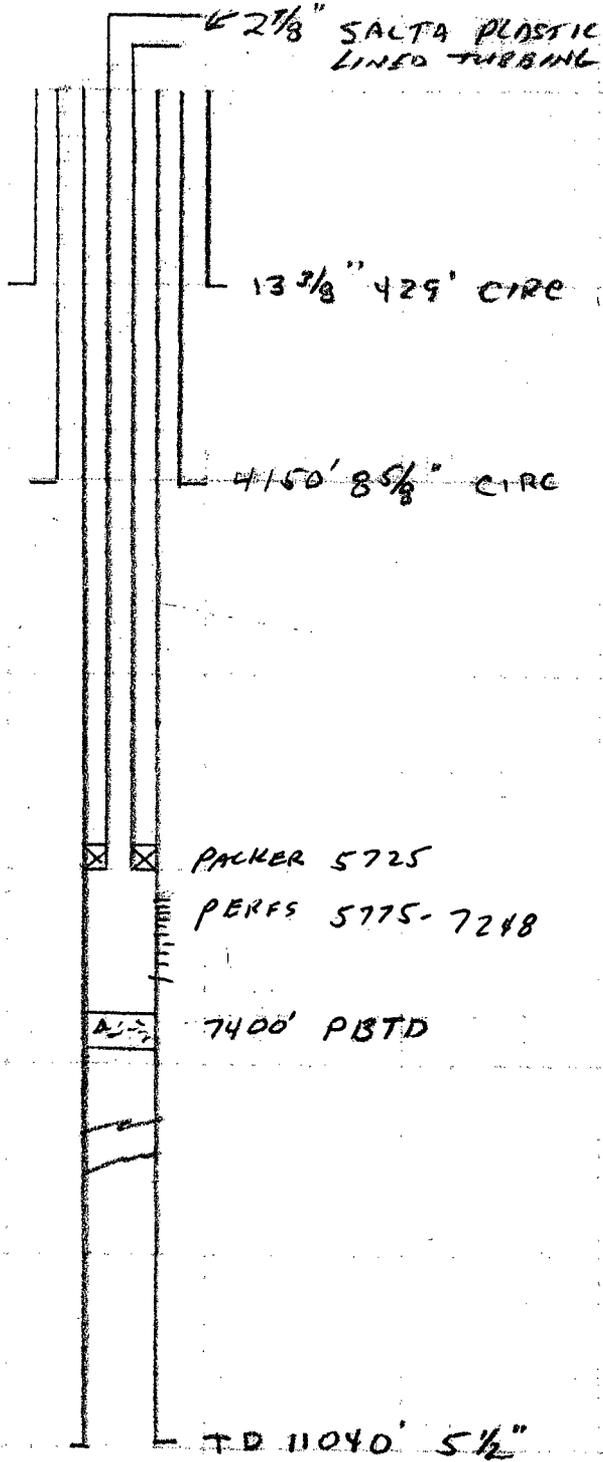
3. Name of Field or Pool (if applicable): _____

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. See Schematic

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None

STATE "NO" #1
30-025-28468

PROPOSED



ATTACHMENT V

Maps that identifies all wells of public record within two miles of each proposed injection well, and the area of review one-half mile radius around each proposed injection well.

ATTACHMENT VI

Data on all wells of public record within the area of review. Included are schematics of the plugged wells that penetrated the proposed injection zone within the area of review.

No wells within area of review.

ATTACHMENT VII

1. Proposed average of 150 bbls per day and maximum of 300 bbls per day of injected fluids. At a rate of one bbl per minuet.
2. System will be closed.
3. Average anticipated pressure of 450 psi and a maximum of 800 psi.
4. Source of produced water is produced water from the surrounding area.
5. Typical water analysis attached.

Data prepared by: Donald A. Beaudry
 Affiliation: Shell Oil Company
 Date: Aug. 15, 1960

Field Name: Pearl Queen
 Location: T. 19 S., R. 35 E.
 County & State: Lea Co., N. Mex.

DISCOVERY WELL: Shell Oil Co. #1 Hooper
 PAY ZONE: Queen-Penrose thin sandstone beds.

COMPLETION DATE: Sept. 12, 1955

TYPICAL CORE ANALYSIS OF A PAY INTERVAL IN THIS FIELD:

Perm. in millidarcys		% Porosity	Liquid Saturation (% of pore space)	
Horizontal	Vertical		Water	Oil
2-62	NA	18	35.0	6.4

OTHER SHOWS ENCOUNTERED IN THIS FIELD:

Seven Rivers, San Andres, Bone Spring, Pennsylvanian (Atoka)

TRAP TYPE: Stratigraphic

NATURE OF OIL: 36° Gravity API

NATURE OF GAS:

NATURE OF PRODUCING ZONE WATER:

Resistivity:

ohm-meters @

°F.

	Total Solids	Na+K	Ca	Mg	Fe	SO ₄	Cl	CO ₂	HCO ₃	OH	H ₂ S
ppm	234,000	66,000	14,000	7,000	X	500	146,000	X	150	X	X

INITIAL FIELD PRESSURE: 1750 psig

TYPE OF DRIVE: Solution Gas

NORMAL COMPLETION PRACTICES: Casing through pay zone. Perforation of selected intervals followed by sandfrac.

PRODUCTION DATA:

Year	Type	No. of wells @ yr. end		Production Oil in barrels Gas in MMCF	
		Producing	Shut in or Abnd.	Annual	Cumulative
1956	oil	1		954	954
	gas			.291	.291
1957	oil	8		44,184	45,138
	gas			28.067	28.358
1958	oil	40		319,534	368,907
	gas			158.357	186.715
1959	oil	69	1	629,250	1,007,446
	gas			427.311	614.026
1960*	oil	91		362,566	1,370,012
	gas			316.478	930.504

* 1960 Figure is production to July 1, 1960.

Author: G. J. Savage
 Affiliation: Gulf Energy & Minerals Co.-US
 Date: August 1976
 Field Name: Arkansas Junction (San Andres)
 Location: T-18-S, R-36-E
 County & State: Lea County, New Mexico

Discovery Well: Aztec Oil & Gas Co. #1 Amerada State, NE/4 NW/4 12-T-18-S, R-36-E.
 Completed 6-12-66. P 20 BOPD and 20 BW

Exploration Method Leading to Discovery:
 Recognition of possible pay zone from data obtained in drilling of deep test north of this discovery.

Pay Zone: San Andres dolomite
 Formation Name: San Andres Depth & Datum Discovery Well: Top of perms 4952 (-1169)
 Lithology Description:

Dolomite, tan to white finely crystalline partly anhydritic with thin interbeds of sandstone, gray, very fine to fine-grained, subangular, fairly well sorted.

Approximate average pay: 160 gross 24 net Productive Area 560 acres

Type Trap: Structural, with partial stratigraphic influence; i.e., with variable porosity and permeability.

Reservoir Data:
6-12 % Porosity, 0.2 Md Permeability, 32 % Sw, _____ % So
 Oil: 37.3° Gravity API
 Gas:
 Water: _____ Na+K, 2880 Ca, _____ Mg, 25900 Cl, 2500 SO₄, _____ CO₂, or HCO₃, _____ Fe
 Specific Gravity 1.015 Resistivity 0.21 ohms @ 84 °F
 Initial Field Pressure: 1610 psi @ -1293 datum Reservoir Temp. 112 °F

Type of Drive:
 Solution gas and water

Normal Completion Practices:
 Drill through pay zone, set casing, perforate, and wash with acid before sandfrac.

Type completion: Normal Well Spacing 40 Acres
 Pumping

Deepest Horizon Penetrated & Depth:
 Devonian at 10,600 feet (-6,805)

Other Producing Formations in Field:
 Penrose member of Queen formation

Production Data:

YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN M M C F		YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN M M C F	
		Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE			Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE
68	OIL	5		16,426	30,577	72	OIL	1	9	2,232	83,188
	GAS						GAS				
69	OIL	9		27,494	58,071	73	OIL	2	8	2,687	85,875
	GAS						GAS				
70	OIL	9	1	17,076	75,147	74	OIL	2	8	3,496	89,371
	GAS						GAS				
71	OIL	3	7	5,809	80,956	75	OIL	3	7	5,595	94,966
	GAS						GAS				

ATTACHMENT VIII

The proposed injection zone is a fine grained sand in the Delaware Formation. It has several sands with varying thickness. There is possible drinking water overlying the injection in the surface sands at a depth of 0-450'. There is no known source underlying the injection interval.

ATTACHMENT IX

No proposed stimulation.

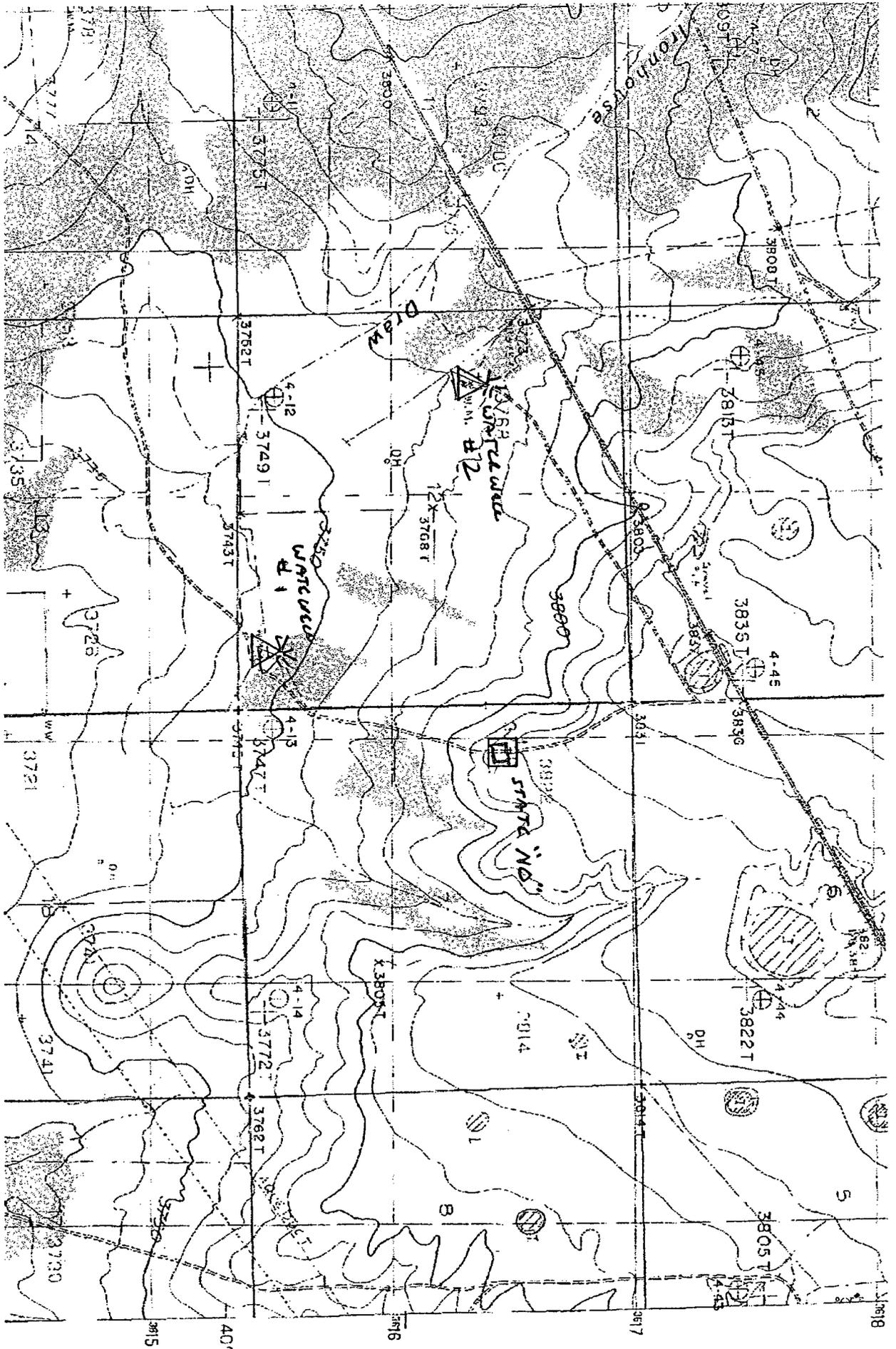
ATTACHMENT XI

There are two active livestock water wells within one mile.

Well #1 UL P Section 12, T19S-R35E

Well #2 UL E Section 12, T19S-R35E

Analysis Attached



Ironhorse Draw, NM; Scale: 1" = 0.356MI 574M; 1,882Ft; 1 MI = 2.805", 1 cm = 226M;

B J Services Water Analysis

Artesia District Laboratory
(505) 746-3140

Date: 22-Nov-02	Test #: <i>U-E SEC 12</i>
Company: Ray Westall	Well #: #2 <i>T 195-R35E</i>
Lease: "NO" Water Well	County: Lea
State: New Mexico	Formation:
Depth:	Source:

pH:	7.46	Temp (F):	62.6
Specific Gravity	1.005		

<u>CATIONS</u>	mg/l	me/l	ppm
Sodium (calc.)	711	30.9	707
Calcium	80	4.0	80
Magnesium	49	4.0	48
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	1	0.0	1

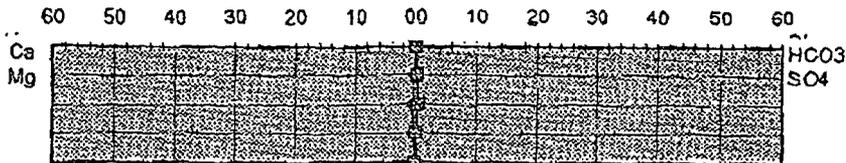
<u>ANIONS</u>	mg/l	me/l	ppm
Chloride	1200	33.9	1194
Sulfate	30	0.6	30
Carbonate	< 1	---	---
Bicarbonate	281	4.6	279
Total Dissolved Solids(calc.)	2351		2339
Total Hardness as CaCO3	400	8.0	398

COMMENTS: Sample of solids appears to be Iron Sulfide

SCALE ANALYSIS:

CaCO3 Factor	22504.12 Calcium Carbonate Scale Probability->	Remote
CaSO4 Factor	2406 Calcium Sulfate Scale Probability -->	Remote

Stiff Plot



B J Services Water Analysis

Artesia District Laboratory
(505) 746-3140

Date: 22-Nov-02	Test #:	<i>UL-P SEC 12</i>
Company: Ray Westall	Well #: #1	<i>T 195 - R 35 E</i>
Lease: "NO" Water Well	County: Lea	
State: New Mexico	Formation:	
Depth:	Source:	

pH:	8.26	Temp (F):	63
Specific Gravity	1.01		

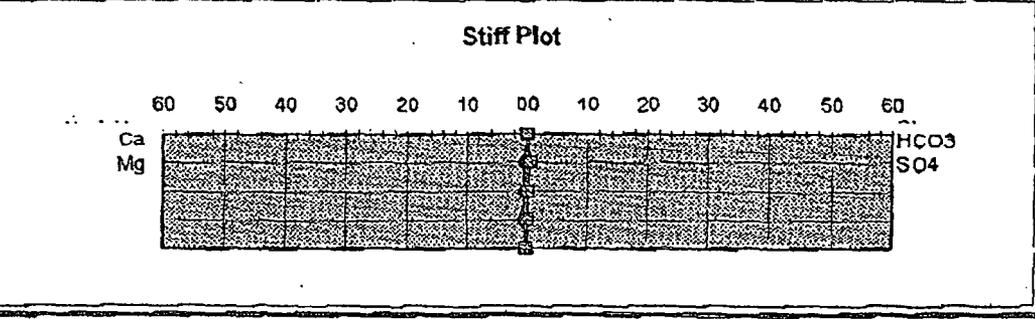
<u>CATIONS</u>	mg/l	me/l	ppm
Sodium (calc.)	1150	50.0	1139
Calcium	80	4.0	79
Magnesium	73	6.0	72
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	1	0.0	1

<u>ANIONS</u>	mg/l	me/l	ppm
Chloride	2000	56.4	1980
Sulfate	69	1.4	69
Carbonate	< 1	---	---
Bicarbonate	146	2.4	145
Total Dissolved Solids(calc.)	3520		3485
Total Hardness as CaCO3	500	10.0	495

COMMENTS: Sample of solids appears to be Iron Sulfide

SCALE ANALYSIS:

CaCO3 Factor	11741.28	Calcium Carbonate Scale Probability->	Remote
CaSO4 Factor	5614	Calcium Sulfate Scale Probability -->	Remote



ATTACHMENT XII

All available geologic and engineering data have been examined and there is no evidence of open faults or any other hydrologic connection between the disposal zone and any source of drinking water.

ATTACHMENT XIV

PROOF OF NOTICE

Yates Petroleum and OXY USA are the only lease hold operators within ½ mile of the proposed injection well. All other lands are not under lease and are State of New Mexico land. A copy of this application was sent by certified mail. Proof of notice is enclosed. The surface owner is the State of New Mexico.

PROOF OF PUBLICATION

Proof of publication is from the Hobbs Daily Sun and attached..

Certified Mail

Yates Petroleum
105 S. 4th St.
Artesia, NM 88210

7004 2890 0003 2218 7964

OXY USA
6 Desta Drive
Suite 6000,
Midland, TX 79705

7004 2890 0003 2218 7971

New Mexico State Land Office
Bldg 310 Old Santa Fe Tr
Santa Fe, NM 87504

7004 2890 0003 2218 7988

Oil Conservation Division
1220 S St. Francis Dr.
Santa Fe, NM 87504

Oil Conservation Division
1624 N. French
Hobbs, NM 88240

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 1 weeks.

Beginning with the issue dated

June 10 2008

and ending with the issue dated

June 10 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 10th day of

June 2008

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
June 10, 2008
Ray Westall-Operator, P.O. Box 4, Loco Hills, New Mexico 88255 Phone (505) 677-2370. Contact party for Ray Westall-Operator is Randall Harris, is seeking administrative approval from the New Mexico Oil Conservation Division to Utilize a well located 1980' FNL & 660" FWL Section 7, Township 19 South, Range 36 East, Lea County, New Mexico Known as the State NO #1 for water injection. Proposed injection is in the Delaware formation through perforations 5775'-7248' feet. Expected maximum injection rate of 400 bbls per day at 800 psi. Interested parties must file objection or requests for hearing with the Oil Conservation Division, 1220 So. St. Frances Drive, Santa Fe, NM 87505 within 15 days of notice.
#24115



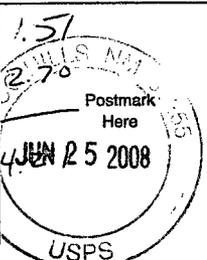
67100415000 67551271
RAY WESTALL OPERATING, INC.
P.O. BOX 4
LOCO HILLS, NM 88255

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	\$ 1.31
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.01



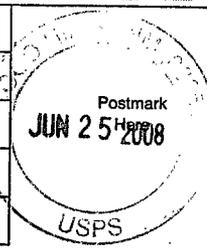
Sent To **New Mexico State Land Office**
 Street, Apt. No.;
 or PO Box No. **BDG 310 OLD SANTA FE TRAIL**
 City, State, ZIP+4
SANTA FE NM 87504
 PS Form 3800, June 2002 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	\$ 1.31
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.01



Sent To **JAMES PETROCE NUM**
 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

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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

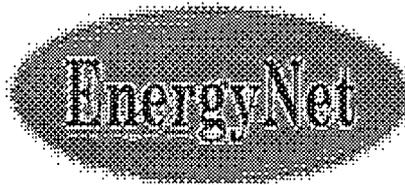
OFFICIAL USE

Postage	\$ 1.31
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.01



Sent To **OXY USA**
 Street, Apt. No.;
 or PO Box No. **6 DESTA DR. SUITE 6000**
 City, State, ZIP+4
BAYLAND, TX 77905
 PS Form 3800, June 2002 See Reverse for Instructions

7201 I-40W, Suite 319
Amarillo, TX 79106
Phone: 806-351-2953
Fax: 806-354-2835



FAX

To: Area Operators **From:** Darlene Marrs
Date: 6/23/2008 **Pages:** One Including Cover
Re: Lot 14613 - Mark J. Mourné, Jr. - Multiple Well Package (RI, ORRI & Non-Operated WI)
with Surface - Andrews and Ector Counties, Texas
ATTN: Acquisitions & Divestitures

Gentlemen:

Your company operates wells in the same area as the captioned well(s). One of the interest owners has put their property in auction ending 7/10/2008 2:25 PM. **This lot has a 12 Mo. Av. Cash Flow \$3,937/mo.**

If you would be interested in viewing the property on-line or bidding in the auction, you may visit our website at <http://www.energynet.com> where you can register on-line as a buyer. After doing so, please feel free to browse to this auction via the tab at the top labeled 'Auction Properties' where you will find a list of current lots for sale, including this one.

Please feel free to contact us and we will be happy to help you in this process. Registration is free and full property data may be viewed on-line at no cost.

Interested in selling with EnergyNet? Need more information? Please visit our 'Contact Us' page to find the business development manager in your area. We are here to bring you the fastest, highest quality service in the industry.

Please feel free to contact us, toll free, at 1-877-351-4488 or by email at energy@energynet.com.

Thank you,

Darlene Marrs
Client Relations Manager

EnergyNet.com, Inc.

<http://www.energynet.com>

Continuous Oil & Gas Property Marketplace



RECEIVED

2008 JUN 27 PM 3 13

Ray Westall Operating, Inc.

Independent Oil Producer
Post Office Box 4
Loco Hills, New Mexico 88255
PH. 505-677-2370 • FAX 505-677-2361

Oil Conservation Division
1220 S. St. Francis DR.
Santa FE, New Mexico 87505

Attn: William Jones

Re: SWD-977-A

Gentlemen,

Enclosed is a new C-108 for the captioned well. What we are asking for is to add additional perforations 5775-5786' in hopes of increasing volume.

In answers to your E-mail dated may 15, 2008:

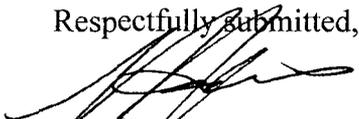
1) Tops:

Rustler	1835'
Yates	3284'
7-Rivers	3732
Queen	4482'
Cherry Canyon	5580'
Brushy Canyon	6630'
Bone Springs	7280'

2) Producing Pools within 1 mile and pertinent producing well and who operates them:
None

3) How you will determine hydrocarbon producibility of the interval you intend to add:
We perforated and tested in the past for oil and gas production.

Respectfully submitted,



Randall L Harris
Geologist

From: Jones, William V., EMNRD <William.V.Jones@state.nm.us>
To: Randall Harris <rharrisnm@aim.com>
Cc: Ezeanyim, Richard, EMNRD <richard.ezeanyim@state.nm.us>; Warnell, Terry G, EMNRD <TerryG.Warnell@state.nm.us>
Subject: RE: SWD-977-A
Date: Thu, 15 May 2008 10:50 am

Hello Randall:

You should apply for this following Rule 701B(2) as far as notices required and send in a request for a new permit to inject (It will be called SWD-977-B)

Actually it is the same work as before, with all the notices, etc. and form C-108 (but C-108 has not been updated to reflect the changes in the rules 701-708, so it is best to read the rules as you do the C-108)

Please also send:

- 1) formation tops from the Rustler to the Bone Spring in that area including members of the Delaware
- 2) producing Pools (names) within 1 mile of this well and pertinent producing wells and who operates them.
- 3) how you will determine hydrocarbon producibility of the interval you intend to add for injection.

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

From: Randall Harris [mailto:rharrisnm@aim.com]
Sent: Thursday, May 15, 2008 8:05 AM
To: Jones, William V., EMNRD
Subject: SWD-977-A

William Jones,

The Ray Westall State NO SWD-977-A API 30-025-28468 is injecting in the Delaware Formation 6409-7248'. To increase volume we would like to add additional Delaware perforations approximately 4900-4950'. Before I start any application procedures, would this be acceptable to the Commission and if it is what is the required paperwork?

Randall Harris
Geologist
Ray Westall Operating

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Injection Permit Checklist (7/8/08)

Case 977-B R- SWD WFX PMX IPI Permit Date UIC Qtr (July or Sept)

Wells 1 Well Name: State NO #1

API Num: (30-) 025-28468 Spud Date: _____ New/Old: _____ (UIC primacy March 7, 1982)

Footages 1900 FWL/660 FWL Unit E Sec 7 Tsp 19S Rge 35E County Lea

Operator: Ray Woodell Contact Randall Harris

OGRID: 18862 RULE 40 Compliance (Wells) 1/213 (Finan Assur) OK

Operator Address: PO BOX 4 LOCO HILLS, NM, 88255

Current Status of Well: _____

Planned Work to Well: _____

Planned Tubing Size/Depth: 2 7/8 @ 5725

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing Surface	17 1/2 13 3/8	429	450	CIRC
Existing Intermediate	11 8 5/8	4150	2400	CIRC
Existing Long String	7 7/8 5 1/2		915+50+25 7425	5900TS → CIRC for SQZ

DV Tool _____ Liner _____ Open Hole _____ Total Depth 1040 PBDT 7400

Well File Reviewed _____

Diagrams: Before Conversion After Conversion Elogs in Imaging File: Yes

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>5580</u>	<u>Cherry C.</u>	
Injection..... Interval TOP:	<u>5715-5786</u>	<u>New Perf (CC.)</u>	<u>1155</u> PSI Max. WHIP
Injection..... Interval BOTTOM:	<u>409 7248</u>	<u>Old Perf (BC.)</u>	<u>NO</u> Open Hole (Y/N)
Below (Name and Top)	<u>7280</u>	<u>B.S.</u>	<u>NO</u> Deviated Hole?

Sensitive Areas: Capitan Reef NO Cliff House _____ Salt Depths 1835' - 63284'

.... Potash Area (R-111-P) NO Potash Lessee _____ Noticed? _____

Fresh Water: Depths: 0-450' Wells (Y/N) Yes Analysis Included (Y/N) Yes Affirmative Statement

Salt Water: Injection Water Types: _____ Analysis? _____

Injection Interval Water Analysis: _____ Hydrocarbon Potential: Tested bad already

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

RULE 701B(2) Affected Parties: Yatai/OXY/STO

Area of Review: Adequate Map (Y/N) and Well List (Y/N)

Active Wells 0 Num Repairs 0 Producing in Injection Interval in AOR _____

..P&A Wells 0 Num Repairs 0 All Wellbore Diagrams Included? _____

Questions to be Answered: _____

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

Request Sent _____ Reply: _____