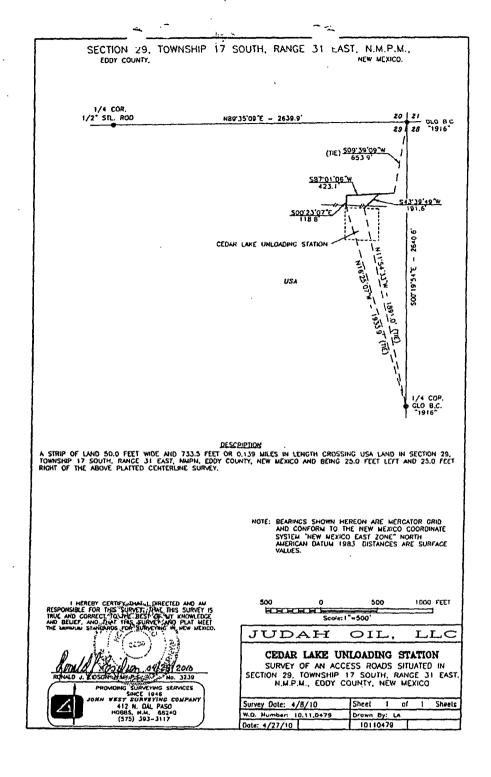
STANDALD FORM 199 (5/2009)  Presented by DOLLOSADOT  LL SGAT and Federal  APPLICATION FOR TRANSPORTATION AND  UTILITY SYSTEMS AND FACILITIES  ON FEDERAL LANDS			PORM APPROVED OMB NO. 1004-0189 Expires: April 30, 2012 FOR AGENCY USE ONLY		
preapplication meeting w may have specific and un	rith representatives of the ique requirements to be m	agency re et in prepi	hould completely review this package and achedule a sponsible for processing the application. Each agency uring and processing the application. Many times, with completed at the preapplication meeting.	Application Number	
Name and address of applica	nt (include zip code)		ne, title, and address of authorized agent if different to tem 1 (include alp code)	3. TELEPHONE (area co. Applicant	de)
Judah Off, LLC			B Campanella	1	_
PO Box 568 Ariesia, NM 88211-0568		PO Bo	x 568 a, NM 88211-0568	575-746-1280 Authorized Agent	
A11884, 101 00211-0300	ļ	Aitem	111/1/3 60211-0508	,	
4. As applicant are you? (check	onel	5. Spe	cify what application is for: (check ana)	James B. Campsuella	
a. Tindividual	,	· -	New authorization		
b. Corporation*	ì		Renewing existing sutherization No.		
c. / Partnership/Association	on•	ء ا	Amend existing authorization No.		
d. State Government/Sta	1	ď.	Assign existing authorization No.		
e. Local Government		٦. ا	Existing use for which no authorization has been re	celved*	
f. Fedoral Agency		_ c [	Other*		
• [[checked; complete supple	mental page	•15 c	hecked provide details under [Icm 7		
6. If an Individual, or pertnershi	p are you a citizen(s) of th	e United S	Status? Ves No		
8. Attach a map covering eros a		<u> </u>			
9. State or local government app	roval: Attached	Applie	d for Nos required	<u> </u>	
10. Nonreturnable application fee	. Attached No	boriuper 1			
11. Does project cross internation	al boundary or affect inter	national w	raterways? Yes No (If "yes," Indicate	оп тар)	
12. Give statement of your techni-	cal and financial capability	to constr	uct, operate, maintain, and terminate system for which	authorization is being requested.	
	r/Member of Judeb Oi	i, LLC at	nd is currently majority owner in two SWD's a		s Wells.
Continued on page 2)			This	form is authorized for local repre	duction.

SUPPLEMENTAL		
NOTE: The responsible agency(ies) will provide additional instructions	CHECK API	
1 - PRIVATE CORPORATIONS	ATTACHED	Filed*
a. Articles of incorporation		
b. Corporation Bylawa .		
c. A perification from the State showing the corporation is in good standing and is entitled to operate within the State.		
d. Copy of resolution authorizing filing		
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that antity owned, directly or indirectly, by the affiliate.	0	
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.		
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.		
II - PUBLIC CORPORATIONS		
a. Copy of law forming corporation		
b. Proof of organization		
c. Copy of Bytaws		
d. Copy of resolution authorizing filing		
e. If application is for an off or gas pipeline, provide information required by hem "I-f" and "I-g" above.		
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Articles of association, if any		<u> </u>
b. If one partner is authorized to algn, resolution authorizing action is		
c. Name and address of each participant, partner, association, or other		
d. If application is for an off or gas pipeline, provide information required by Item "i-f" and "i-g" above.		
* If the required information is already filed with the agency processing this application and is current, check block entitled "Flied." information (e.g., number, date, code, name). If not on file or current, attach the requested information.	Provide the file	dentification
1) Judeh Off, LLC 5% (operator) James B. Campanella PO Bot 568 Arteda, NM \$8211-0568 2) Levi Off and Gas, LLC 65%		
James B Campanella Member/Manager PO Bot 568 Artesia, NM 88211-0568		
3) VSW 2 E&P, LLC 25% Van Welch Member/Manager 1207 Fairway Dr. Duncan, OK 73533		
4) Asher Oil, LLC 5% Kevin Jones Member/Manager 12808 Lorien Way Oklahoma City, OK 73710		

(Continued on page 5)

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13	Describe other reasonable alternative routes and modes considered.
	Lease Road to Dow "B" 28 Federal well location.
<b>b</b> .	Why were those alternatives not selected? Attached
Ç.	Give explanation as to why it is necessary to cross Federal Lands  The disposal well is located on Federal land. The land in the sorrounding area is Federal land.
14.	List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or nom New Mexico State Application, C-108 Application to Inject, 8-27-2010, Red Lake State #1 SWD Sections 27, 28, 11 T- 17S, R-28W, Eddy County, New Mexico
15.	Provide estimated out of need for project, including the economic festibility and items such as: (a) cost of proposal (construction, operation, and maintenance); estimated out of next best alternative; and (c) expected public benefits.  There is a lot of drilling and production activity in this area. Because of significant amounts of produced water, more disposal wells are needed to service this area. The disposal project will cost approximately \$2,000,000.00 to complete. The monthly expenses are expected to run \$20,000.00 per month.
16.	Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.  This project is located 5 miles east Loco Hills, NM. It should reduce the traffic in Loco Hills where there is an active disposal well.
17.	Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, and soil cashitty.  Attached.
18.	Describe the probable effects that the proposed project will have on (a) populations of fish, plantife, wildlife, and marine life, including threatened and endange species; and (b) marine manurals, including hunting, capturing, collecting, or killing these animals.  Attached.
19.	State whether any hazardous material, as defined in this peragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way or any of the right-of-way or any of the facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substate politicant or contaminant that is listed as hazardous under the Comprehensive Euvironmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 1980 et seq., and its regulation and its regulations. The definition of hazardous under CRCCLA Includes any transdrous waster as defined by the Atomic Energy Act of 1984, as amended, 42 U.S.C. 2901 et seq. The term does not include petroleum, including crude oil or any fraction thereof is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural general state of the state of
<del>0</del> .	Name all the Department(s)/Agency(ics) where this application is being filed. Bureau of Land Management - Carlebad New Mexico Office
HEI	EBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and to the information formation of the correct to the best of my knowledge.
igna	Ture of Applicant ( Lorent Hanne 200)
itle tates	18, U.S.C. Section 1001 and Trife 43 U.S.C., Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the Unit any false, fictions, or fraudulant statements or representations as to any matter within its jurisdiction.
-	inued on page 3) (SF-299, page

#### NOTICES

NOTE: This applies to the Department of the Interior/Bureau of Land Management (BLM).

The Privacy Act of 1974 provides that you be furnished with the following information in connection with the information provided by this application for an authorization.

AUTHORITY: 16 U.S.C. 310 and 5 U.S.C. 301.

PRINCIPAL PURPOSE: The primary uses of the records are to facilitate the (1) processing of claims or applications; (2) recordation of adjudicative actions; and (3) indexing of documentation in case files supporting administrative actions.

ROUTINE USES: BLM and the Department of the Interior (DOI) may disclose your information on this form: (1) to appropriate Federal agencies when concurrence or supporting information is required prior to granting or acquiring a right or interest in lands or resources; (2) to members or the public who have a need for the information that is maintained by BLM for public record; (3) to the U.S. Department of Justice, court, or other adjudicative body when DOI determines the information is necessary and relevant to litigation; (4) to appropriate Federal, State, local, or foreign agencies responsible for investigating, prosecuting violation, enforcing, or implementing this statute, regulation, or order; and (5) to a congressional office when you request the assistance of the Member of Congress in writing.

EFFECT OF NOT PROVIDING THE INFORMATION: Disclosing this information is necessary to receive or maintain a benefit. Not disclosing it may result in rejecting the application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certifications for the use of Federal Lands.

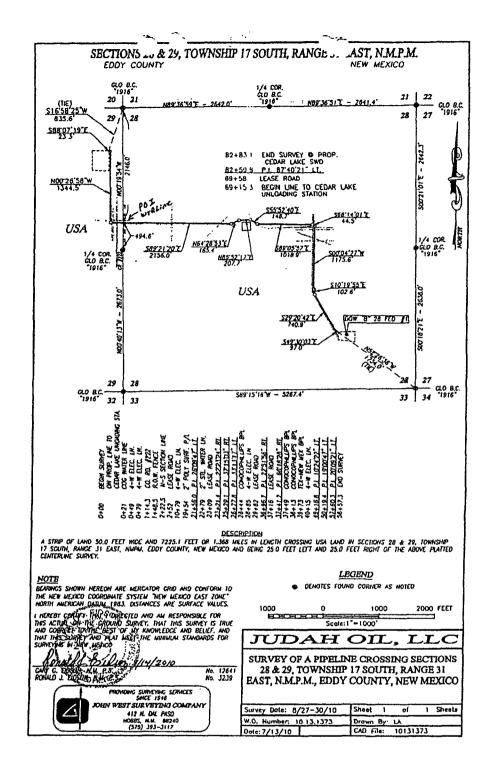
Federal agencies use this information to evaluate your proposal.

No Federal agency may request or sponsor and you are not required to respond to a request for information which does not contain a currently valid OMB Control Number.

BURDEN HOURS STATEMENT: The public burden for this form is estimated at 25 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to: U.S. Department of the Interior, Bureau of Land Management (1004-0189), Bureau Information Collection Clearance Officer (WO-630) 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

A reproducible copy of this form may be obtained from the Bureau of Land Management, Division of Lands, Realty and Cadastral Survey, 1620 L Street, N.W., Rm. 1000 LS, Washington, D.C. 20036.

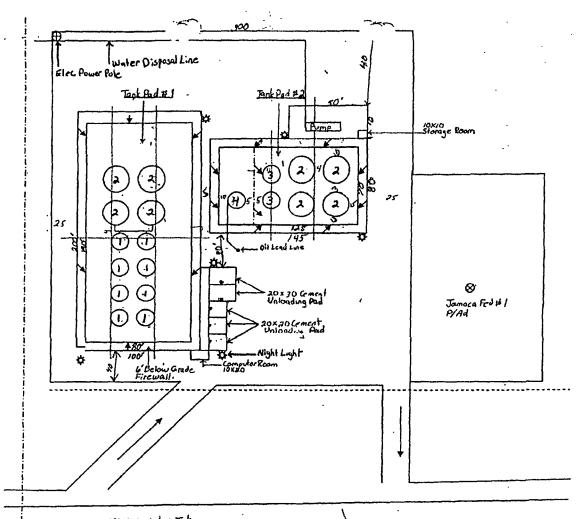
(SF - 299, page 5)



# Cedar Lake Federal SWD Project Application for Transportation Attachment

- 7. A) The truck Unloading Station will receive produced water from water trucks hauling water from area wells and pipelined water from area wells. The facility will send water to different Salt Water Disposal wells located in Section 28 and 29, T-17-S, R-31-E, Eddy County, NM. A 4° fiberglass pipeline will be buried to transfer water from the Unloading Station to the Dow "B" 28 Federal #1 water disposal well located in UL-P, Section 28, T-17-S, R-31-E. A 4° poly pipeline will be buried from the Unloading Station to a POI located on the east side of CR 222, which will transfer pipelined water from area wells to the Unloading Station. There will be two lease roads that will service the Unloading Station. The lease road to the disposal well location already exist.
  - B) Cedar Lake unloading station will be located in the NE/4 NE/4, Sect. 29, T-17-S, R-31-E and shall have 8-500 bbl water storage tanks, 8-1000 bbl water storage tanks, 3-750 gun barrel, 1-500 bbl skim oil holding tank, 5 unloading pads, computer shed, 1 storage shed, 6 night lights, 4 lightning protection static lines, disposal pump, 2 water transfer pumps, and 1 charge pump. (Site facility diagram attached).
    The two tank pads shall sit 6' below grade for spill protection, and will be lined with 2-40
  - The unloading station will be 300'x300'. The pad will have 6' caliche and 4" base material.
    The access road to the unloading station shall also consist of 6" caliche and 4" base material. The road will have 3" grade for water run-off.
  - D) The term requested for the lease is 30 years.
  - E) This facility will operate year round.
  - F) The estimated volume of water to be disposed is 10,000 bwpd.
  - G) The construction of this project will begin within 2 weeks after approval and should be completed within 60 days.
- The lease road is approximately % of a mile long to the proposed disposal well location.
  - The proposed Unloading Station will be located approximately 200' off pavement (CR-222) and this will greatly reduce the amount of truck traffic off pavement.
  - To have as little disturbance as possible.
  - To provide the quickest and easiest access for trucks hauling water to be disposed.

Disposal Battery will serve other disposal well prospects in the immediate area, and in centrally located to these wellbores.



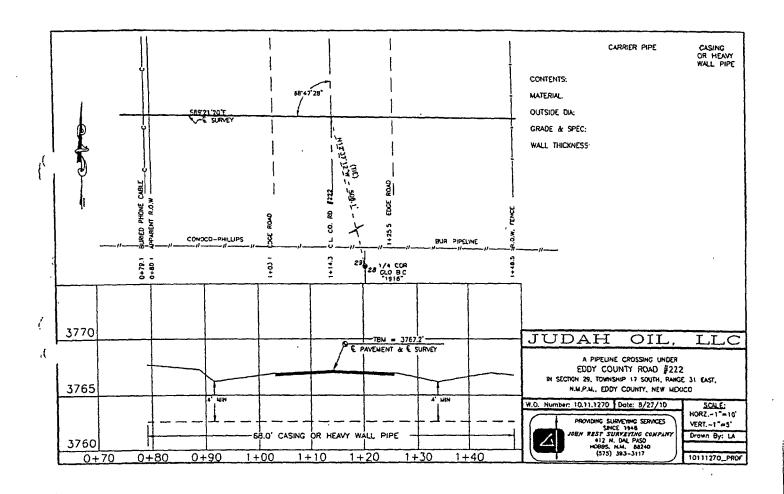
1. 500 BBL F6 water Tak 2. 1000 BBL F6 water Tak 3. 750 BBL F6 Bun Barrell Tak

3.750 BBL Steel Oil Tank
Tonk Pod #1+#2 will be located 6' below girds
Tank Pod #1+#2 will be located 6' below girds
Tank Pods will have 2-40 mill liners with liner pods.

### Judah Oil, LLC

## Cedar Lake SWD Unloading Station

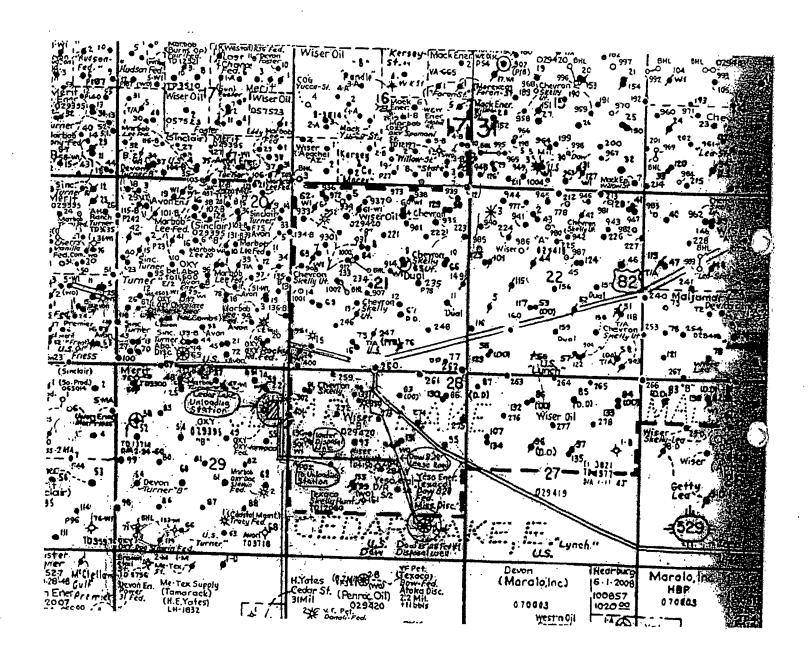
UL-A, Section 29, Township 17 South, Range 31 East Eddy County New Mexico



- 17.
- This will not affect air quality.

  The Unloading Station facility will be painted to visibly blend in as B) much as possible. This is a very active area for oil and gas operations.
  - The water quality in this area is very hard and brackish. There is no fresh water wells C) within several miles of this proposed project.
  - No streams or bodies of water in this area. No adverse affects of noise levels D)

  - Approximately 2/3 of Unloading Station will be constructed on new disturbance and 1/3 on P/A location (Oxy Jomoka Fed #1). The water line will be installed down existing ROW and will be re-seeded after construction. Dow "B" Federal #1 is an existing location with existing lease road.
- No marine life present in this area. This project is located in San Dune Lizard and Prairie Chicken area. We have contacted the 18. BLM staff and have therefore located the Unloading Station where there will be very minimal impact. The water disposal line will be ran along existing right-of-ways and will be buried. The disposal well location will have no tank battery and very minimal
  - No affects on animal life.



#### CATION FOR TRANSPORTATION AND UTIL AND FACILITIES ON FEDERAL LANDS

# GENERAL INFORMATION , ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

- 1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
- 2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
- 3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
- 4. Systems for the transmission and distribution of electric energy.
- 5. Systems for transmission or reception of radio, television, telepho telegraph, and other electronic signals, and other means of communications.
- 6. Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
- 7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation

This application must be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

U.S. Department of Agriculture FOREST SERVICE (USPS) Alaska Regional Office (Region 10) Physical Address: Federal Office Building 709 West 9th Sweet Juneau, Alaska 99801 Mailing Address: F.O. Box 21628 Juneau, Alaska 99802 Telephone: 907-586-8806

U.S. Department of the Interior BURBAU OF INDIAN AFFAIRS (BIA) Alaska Regional Office (Juneau)
Hailing/Physical Address;
P.O. Box 25520

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT (BLM) BUREAU OF LAND MAI Alaska State Office Mailing/Physical Address: 222 West 7th Avenue #13 Anchorage, Alaska 99513 Telephone: 907-271-5960

U.S. Department of the Interior NATIONAL PARK SERVICE (NPS) Alaska Regional Office (Anchoruse) Mailing/Physical Address: 240 Wat 5th Avenue, Room 114 Anchoruse, Alaska 99501 Telephone: 907-644-3501

U.S. Department of the Interior FISH AND WILDLIFB SERVICE Alasks Regional Office (Region 7) Mailing/Physical Address: 1011 East Tudor Road Anchorage, Alaska 99501 Telephone: 907-271-5011

Note: Filings with any Department of the Interior agency may be filed with any

U.S. Department of the Interior OFFICE OF ENVIRONMENTAL POLICY AND COMPLIANCE OFFICE OF ENVIRONMENTAL PA Alaska Regional Office (Anchorage) Regional Environmental Officer 1689 C Street, Room 119 Anchorage, Alaska 99501 Telephone: (907) 271-5011

U.S. Department of Transportation FEDERAL AVIATION ADMINISTRATION Alaska Rogional Office (Anchorage) 222 West 7th Avenue, #14 Anchorage, Alaska 99513 Telephone: 907-271-5269

NOTE - The Department of Transportation has established the above centrel filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

#### OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described abo

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

### SPECIFIC INSTRUCTIONS

(Items not listed are self-explanatory)

- them.

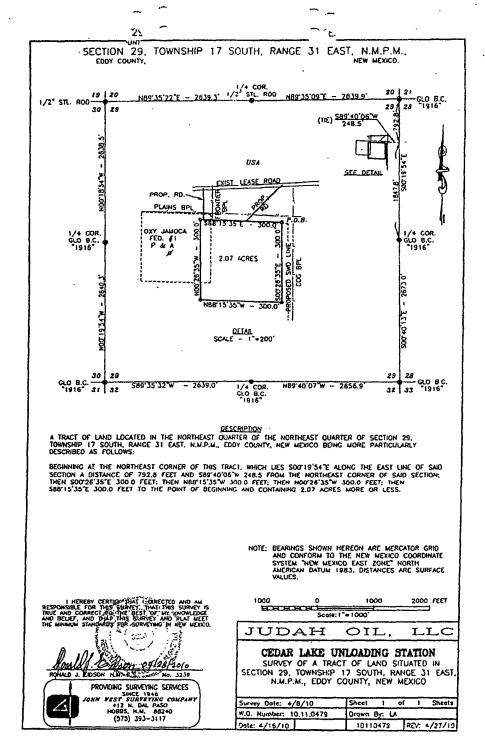
  Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- Generally, the map must show the section(s), township(s), and ranges within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 The responsible agency will provide additional instructions.
- 3. To an it is the requirement of the provide agency with the possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(tes) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
- to through 19 Providing this information in as much detail as possible will assist the Federal agency(ics) in processing the application and reaching a decision. When completing these tierns, you should use a sound judgment in furnishing relevant information. For example, If the project is not rour a stream or other body of water, do not address this subject. The responsible agency will provide additional instructions.

Application must be signed by the applicant or applicant's authorized representative.

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item",

(For supplemental, see page 4)

(SF-299, page 3)



Poim 2000-14 (Santary 1996)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0034 Expires: September 30, 1998

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

.. ..

Lease Serial No.

Mineral Lessing Act of 1920 (30 U.S.C. 181 et seq.) Act for Acquired Lands of 1947 (30 U.S.C. 351-359) Geothermal/Steam Act of 1970 (30 U.S.C. 1001-1025) See attached Supplement

By Thingson and Table 1 May 1 May 1 May 1	30 U.S.C. 1001	1-1025)			
Department of the Interior Appropriations Act,	Fiscal Year 19	/81 (42 U.S.C	2. 6308)		
Type or print pialnly in in	k and sign I	ln lnk.			
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Street See attached Supple	ement				
City, State, ZIP Code	• •				
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arate attached sheet of paper.					
is transfer is for: (Check one) 🖾 Oil and Gas Lease, or 🛘 Geothermal Le	<b>15</b> 0		•	•	
terest conveyed; (Check one or both; as appropriate) 🖾 Operating Rights (st	ublease) 🛛 O	verriding Roy milar interest	alty, paymen s or paymen	nt out of pro ts	duction or oth
This transfer (sublease) conveys the following interest:					
Land Description	Pe	reent of Inter	est		cent of
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FOR BLM USE ONLY-DO NOT WI	RITE BELOW 1	THIS LINE			
THE UNITED STATES ( is transfer is approved solely for administrative purposes. Approval does a e to this lease.		at either part	y to this tra	nsfer bolds l	ezal or equita
to the lease.			•		
Transfer approved effective		, .	•		•
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