

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF LG&S OIL COMPANY, LLC
FOR A SALT WATER DISPOSAL WELL,
IN EDDY COUNTY, NEW MEXICO.

RECEIVED OOD

2015 JUN 15 P 1:04

Case No. 15345

APPLICATION FOR SALT WATER DISPOSAL

LG&S Oil Company, LLC, by and through its undersigned attorney, applies for an order approving a salt water disposal well, and in support thereof, states:

1. Applicant seeks an order proposing a salt water disposal its Kehane B Federal 3, located 1980' FNL and 1980' FWL, Unit F, Section 28, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.
2. Applicant proposes to set a packer at 3200 feet below the surface of the earth and then inject into the Queen formation at the perforated depths of 3280' to 3570'.
3. Attached hereto is Form C-108.
4. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

/s/ Ernest L. Padilla

ERNEST L. PADILLA,
Attorney for LG&S Oil Company, LLC
PO Box 2523
Santa Fe, New Mexico 87504
505-988-7577

NMOCD Case No. 15345

Application of LG&S Oil Company, LLC, for approval of a salt water disposal well, in Eddy County, New Mexico; Applicant seeks an for a salt water disposal in its Keohane B Federal 3, located 1980' FNL and 1980' FWL, Unit F, Section 28, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The well is located approximately 10 miles south of Maljamar, New Mexico.

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2015 JUN 15 P 1:03

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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



Case 15345

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 _____

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 LG8 Oil Company, LLC
 Keohane Federal 3
 30-045-05625

[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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

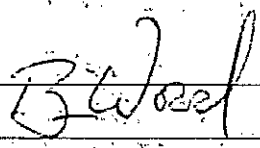
brian@permitswest.com

e-mail Address

4-6-15

Date

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance XXX Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: LG&S OIL COMPANY, LLC
ADDRESS: P. O. BOX 52, LOVINGTON NM 88260
CONTACT PARTY: BRIAN WOOD (PERMITS WEST, INC.) PHONE: 505 466-8120
- 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 XXX 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:
- Keohane B Federal 3
30-015-05625
SWD; Queen (96117)
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: BRIAN WOOD  TITLE: CONSULTANT
SIGNATURE: _____ DATE: APRIL 6, 2015
E-MAIL ADDRESS: brian@permitswest.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

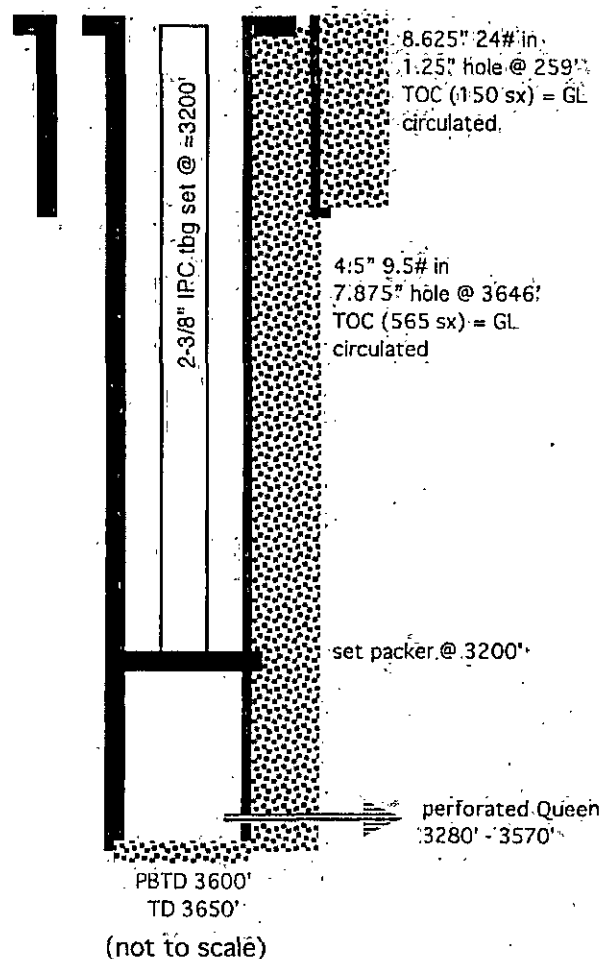
INJECTION WELL DATA SHEET

OPERATOR: LG&S OIL COMPANY, LLC

WELL NAME & NUMBER: KEOHANE B. FEDERAL 3

WELL LOCATION: 1980 FNL & 1980 FWL F 28 18 S 31 E

FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: 12.25" Casing Size: 8.625"

Cemented with: 150 sx. or ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Intermediate Casing

Hole Size: Casing Size: ft³

Cemented with: sx. or ft³

Top of Cement: Method Determined: ft³

Production Casing

Hole Size: 7.875" Casing Size: 4.5"

Cemented with: 565 sx. or ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Total Depth: 3650'

Injection Interval

3280' feet to 3570'

(Perforated or Open Hole, indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2.375" Lining Material: IPC

Type of Packer: BAKER X-1

Packer Setting Depth: 3200

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

Additional Data

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

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

2. Name of the Injection Formation: QUEEN

3. Name of Field or Pool (if applicable): SWD; QUEEN (96117)

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: YES

WELL IS PERFORATED FROM 3280' TO 3570'. SAME PERFS WILL BE USED FOR DISPOSAL.

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

OVER: YATES (2191')

UNDER: MORROW (11,582')

LG&S OIL COMPANY, LLC

PAGE 1

KEOHANE B FEDERAL 3

1980' FNL & 1980' FWL SEC. 28, T. 18 S., R. 31 E.

EDDY COUNTY, NEW MEXICO

30-015-05625

I. Purpose is to convert a Shugart; Yates-7RS-QU-Grayburg (pool code 56439) oil well to a commercial SWD; Queen (pool code 96117) saltwater disposal well. The well was drilled by Gulf in 1962 to 3650'. It was plugged 3 months later with no production. It was re-entered in 1972 and successfully completed by Shenandoah as an oil well. LG&S became operator in 2008.

Cumulative production from December 1992 through December 2014 is 7380 barrels of oil and 86583 barrels of water (11.7 to 1 water to oil ratio). Cumulative production for 2014 is 1453 barrels of oil and 25435 barrels of water (17.5 to 1 water to oil ratio). It is no longer economical to operate the well as an oil well under current oil prices. The plan is to dispose into the Queen from 3280' to 3570', the same interval that currently, and uneconomically, produces.

II. Operator: LG&S Oil Company, LLC (OGRID #257988)

Operator phone number: (575) 390-0581

Operator address: P. O. Box 52, Lovington, NM 88260

Contact for Application: Brian Wood (Permits West, Inc.)

Phone: (505) 466-8120

III. A. (1). Lease: BLM lease NMLC-029390A

Lease Size: 280 acres (see Exhibit A for C-102 and map)

Closest Lease Line: 660'

Lease Area: S2NW4, NENW, & SE4 Section 28, T. 18 S., R. 31 E.

A. (2) Surface casing (8-5/8", 24#) was set at 259' in a 12-1/4" hole. Cement (150 sx) was circulated to the surface.

Production casing (4-1/2", 9.5#) was set at 3,646' in a 7-7/8" hole. Cement (565 sacks & DV tool @ 793') circulated to the surface.

A. (3) Tubing will be 2-3/8" plastic lined. Setting depth will be 3200'. (Disposal interval will be 3280' to 3570'.)

A. (4) A Baker X-1 packer will be set at 3200' (80' above the highest perforation of 3280').

B. (1) Disposal will be in the SWD; Queen (pool code 96117).

B. (2) Disposal interval will be 3280' to 3570'.

B. (3) Well was (twice) drilled as a Queen oil well.

B. (4) Well is perforated from 3280-88', 3292-98', 3304-08', and 3558-70' with 2 shots per foot. Shot diameter = 1/2". Additional perforations may be added within that overall interval of 3280' to 3570'.

B. (5) Yates is the only oil or gas zone above the Queen in the area of review. Morrow is the only oil and gas zone below the Queen and in the area of review.

IV. This is not an expansion of an existing injection project. It is disposal only.

V. Exhibit B shows all 11 existing wells (7 P & A wells + 2 oil wells + 2 gas wells) within a half-mile radius. Exhibit C shows all 275 existing wells (139 oil or gas wells + 119 P & A wells + 17 injection or disposal wells) within a 2 mile radius.

Exhibits D and E shows all leases and lessors (only BLM) within a one-half mile radius and two mile radius. Details on the leases within a half-mile radius are:

Aliquot Parts in Area of Review (T 18 S, R 31 E)	Lease (all BLM)	Lessee(s) of Record	Queen operator, if any
SWSE Sec. 21	NMNM-012212	Devon, Energen, Fidelity	none
SESW Sec. 21	NMNM-025778A	Devon, Energen, Fidelity	Cone
SWSW Sec. 21	NMNM-175770	COG, Concho	Cone

LG&S OIL COMPANY, LLC

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KEOHANE B FEDERAL 3

1980' FNL & 1980' FWL SEC. 28, T. 18 S., R. 31 E.

EDDY COUNTY, NEW MEXICO

30-015-05625

NE4 Sec. 28	NMNM-012212	Devon, Energen, Fidelity	SENE: Momentum, NENE & W2NE: none
SE4 Sec. 28	NMLC-029390A	Devon, Energen, Fidelity	none
SW4 Sec. 28	NMNM-055648	Devon, Energen, Fidelity	none
S2NW4 & NENW Sec. 28	NMLC-029390A	Devon, Energen, Fidelity	E2NW: LG&S SWNW: none
NWNW Sec. 28	NMNM-106230	Nearburg	none
E2NE4 Sec. 29	NMLC-029387C	Magnum Hunter	none
NESE Sec. 29	NMLC-029387A	18-31 Inc.	none

VI. Eleven wells (below) are within a half-mile. Ten of the eleven penetrated the Queen. A tabulation of the 11 existing wells and diagrams of the 7 plugged wells are attached as Exhibit F.

API	WHO	UL	T18S, R31E SECTION	TVD	WELL	TYPE WELL	ZONE	FEET FROM SWD
3001530363	Devon	F	28	12050	Shugart 28 Fed. 2	G	Shugart; Morrow (G)	330
3001505624	LG&S	C	28	3650	Keohane B Fed. 2	O*	Shugart; Y-7R-Q-Gray	1320
3001505622	Gulf	K	28	3650	Keohane et al A Fed. 3	P&A	Shugart; Y-7R-Q-Gray	1320
3001505623	Xeric	E	28	3650	Keohane et al B Fed. 1	P&A**	Shugart; Y-7R-Q-Gray	1326
3001530137	Devon	G	28	11990	Shugart 28 Fed. 1	G	Shugart; Morrow (G)	1403
3001505619	Fullerton	D	28	3653	Little A 1	P&A	Shugart; Y-7R-Q-Gray	1871

LG&S OIL COMPANY, LLC

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KEOHANE B FEDERAL 3

1980' FNL & 1980' FWL SEC. 28, T. 18 S., R. 31 E.

EDDY COUNTY, NEW MEXICO

30-015-05625

3001505621	Cimarex	L	28	3682	Keohane et al A Fed. 2	P&A	Shugart; Y- 7R-Q-Gray	1872
3001505600	T.R. Cone	N	21	3621	N. Shugart Queen Unit 11	O***	Shugart; Y- 7R-Q-Gray	2310
3001520223	J.M. Welch	B	28	3965	Gulf B 1	P&A	Shugart; Y- 7R-Q-Gray	2323
3001510113	Chemical Express	D	28	3653	Texaco Fed. 2	P&A	Shugart; Y- 7R-Q-Gray	2339
3001510141	V.S. Welch	E	29	2740	Kenwood 1	P&A	Shugart; Y- 7R-Q-Gray	2344
3001505630	Cimarex	H	29	4150	Shugart APCO A 3	P&A	Shugart; Y- 7R-Q-Gray	2753

*Plan to convert to SWD; Queen.

**Water injection well 1972-1993. See WFX-371 and Case 3779 & R-3431.

*** Last produced in September 2009. Cumulative production (1998-2014) = 595 barrels of oil.
Served as a water injector 1970-1998. Unit terminated 1-1-11.

- VII.
1. Average injection rate will be $\approx 3,500$ bwpd.
Maximum injection rate will be 5,000 bwpd.
 2. System will be open. Water will be trucked to the well.
 3. Average injection pressure will be ≈ 600 psi
Maximum injection pressure will be 656 psi ($= 0.2$ psi/foot $\times 3280'$ (highest perforation)).
 4. The disposal water will be produced water. For example, existing wells within Section 28 and the adjacent 8 sections produce from the Atoka, Bone Spring, Delaware, Devonian, Grayburg, Morrow, Queen, Seven Rivers, and Yates formations. An analysis of Queen water is in Exhibit G.
 5. The Queen was productive in this well, but it is no longer profitable to operate it as an oil well. Production averaged 4 bopd and 71 bwpd in 2014. Cumulative production from 1993-2014 was 7,380 barrels of oil.

LG&S OIL COMPANY, LLC
KEOHANE B FEDERAL 3
1980' FNL & 1980' FWL SEC. 28, T. 18 S.; R. 31 E.
EDDY COUNTY, NEW MEXICO

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VIII. The Queen is fine-grained sandstone with some siltstone, limestone, and gypsum.

Closest possible underground source of drinking water above the proposed disposal interval are the red beds between 675' to 695'. Water bearing sands were reported in the completion reports of 2 oil wells (30-015-05594 and 30-015-05619) within a half-mile. These sands occurred from 675' to 695'. There will be 2,579' of vertical separation and the Yates - Seven Rivers interval between the bottom of the only likely underground water source (red beds) and the top of the Queen.

No water wells are within a 2 mile radius (EXHIBIT H). This was verified during a January 28, 2015 field inspection. No underground source of drinking water is below the proposed disposal interval. Ogallala aquifer is >10 miles northeast (Exhibit H).

Formation tops are:

Quaternary = 0'
Anhydrite = 580'
Yates = 2191'
Seven Rivers = 2394'
Bowers = 3014'
Queen = 3274'
Disposal interval = 3280' - 3570'
PBTD = 3625'
TD = 3650'
Grayburg = 3796'
San Andres = 4210'
Delaware = 4413'
Bone Spring = 6160'
Wolfcamp = 9650'
Strawn = 10776'
Atoka = 10986'
Morrow = 11582'
Barnett shale = 11910'

IX. The well will be stimulated with acid to clean out scale or fill.

LG&S OIL COMPANY, LLC
KEOHANE B FEDERAL 3
1980' FNL & 1980' FWL SEC. 28, T. 18 S., R. 31 E.
EDDY COUNTY, NEW MEXICO

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30-015-05625

X. No logs have been run.

XI. Based on a field inspection and a review of the State Engineer's records, there are no water wells within a 1-mile radius.

XII. LG&S Oil Company, LLC is not aware of any geologic or engineering data that may indicate the Queen is in hydrologic connection with any underground sources of water. Closest Quaternary fault is $\approx$ 75 miles west (Exhibit I). There are 28 Queen saltwater disposal wells and 485 Queen injection wells in New Mexico.

XIII. A legal ad (see Exhibit J) was published on January 25, 2015. Notice (this application) has been sent (Exhibit K) to the surface owner (BLM), all leasehold operators or lessees (COG Concho, Devon, 18-31 Inc., Energen, Fidelity, Iverson (Claire Ann), Iverson (Siegfred James III), Iverson (Wendell), Iverson-Page (Patsy), Magnum Hunter, Mills (Pete), Momentum, Nearburg, Penwell, Pierce (Jim), Pool (John), Rost, Energy, S&P, Sell (Steve), Sklarco, Southwest Reserves, Southwest Royalties), and lessors (BLM) within a half-mile.

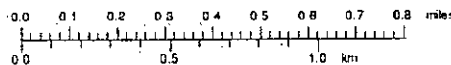
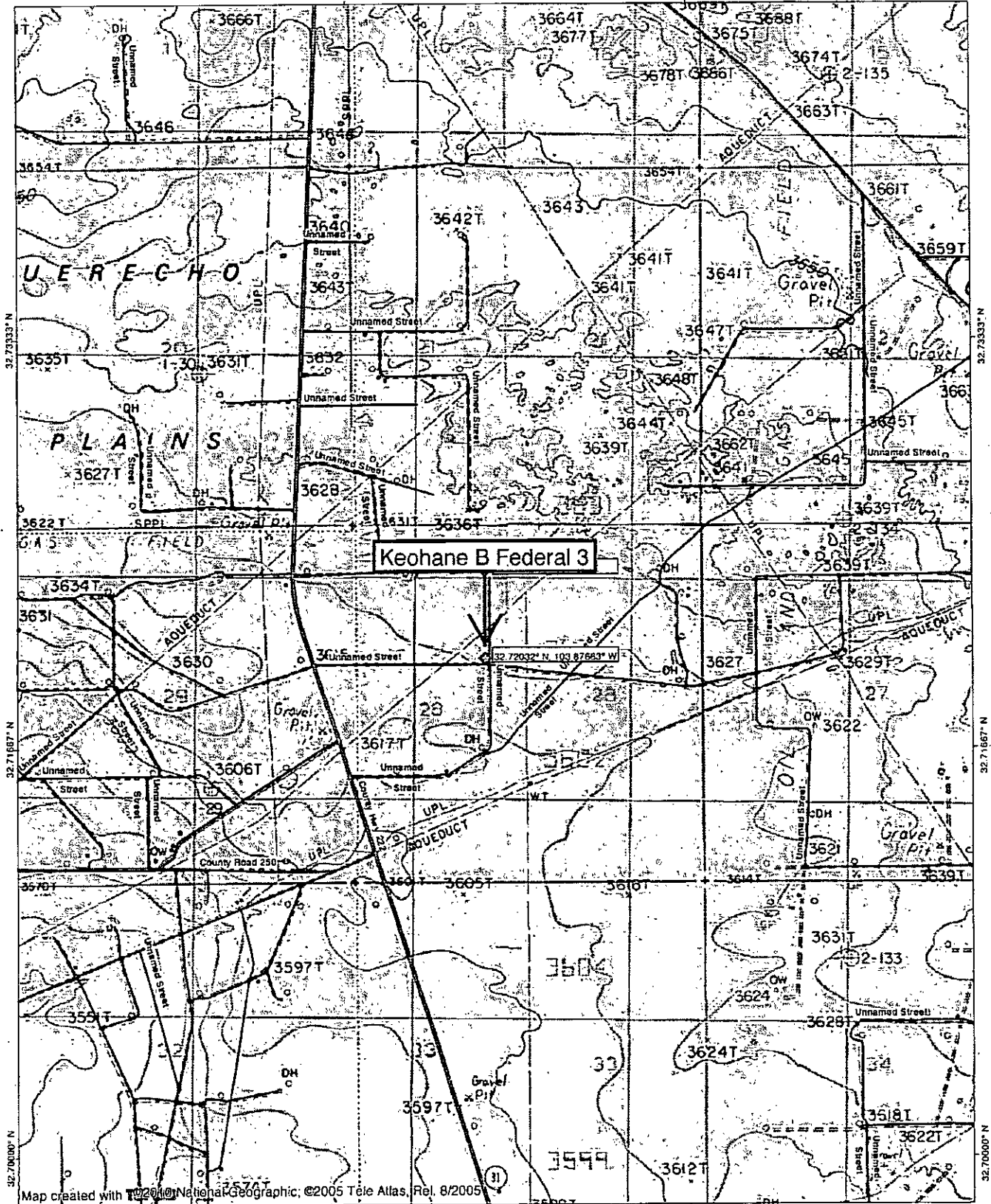


EXHIBIT A

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-120
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

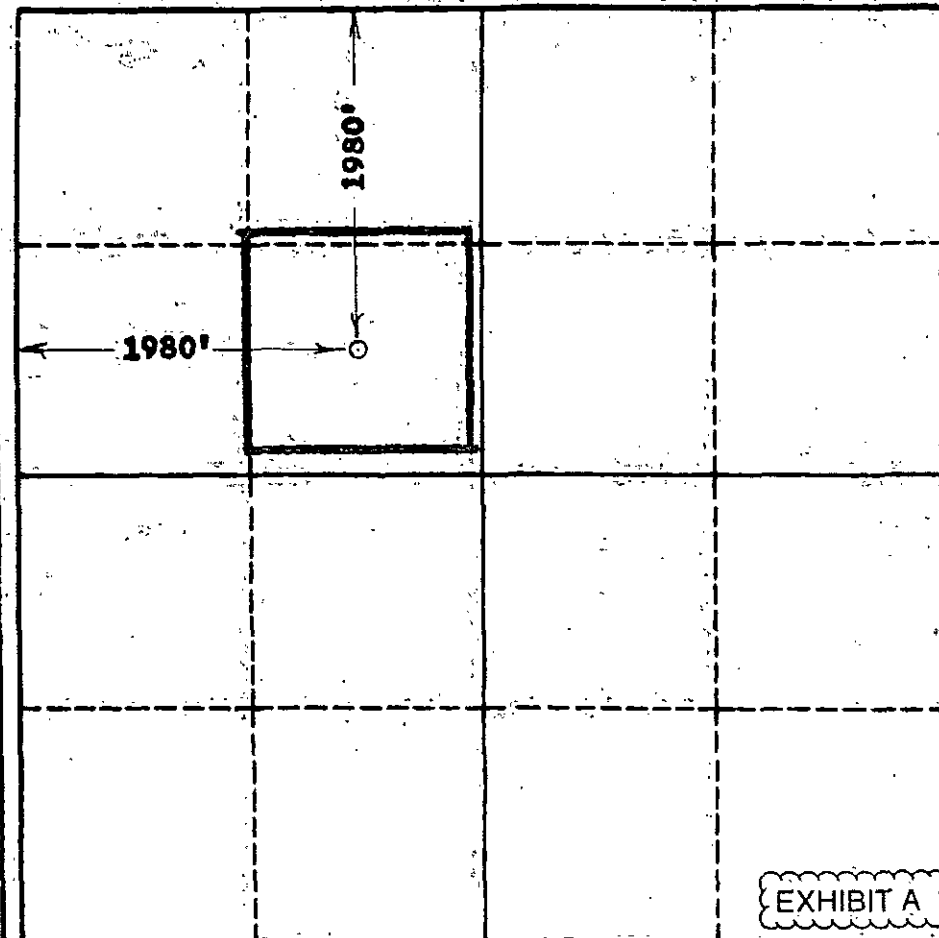
Operator Gulf Oil Corp.			Lease Federal-Keohane "B" (et al)		Well No. 3
Unit Letter B	Section 28	Township 18 South	Range 31 East	County Eddy	
Actual Acreage Location of Well: 1980 feet from the west line and 1980 feet from the north line					
Ground Level Elev.	Producing Formation Queen		Pool Keohane	Dedicated Acreage 5 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (a) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communication agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation **RECEIVED**
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

FEB 20 1962
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

SECTION B



CERTIFICATION

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

ORIGINAL SIGNED
BY

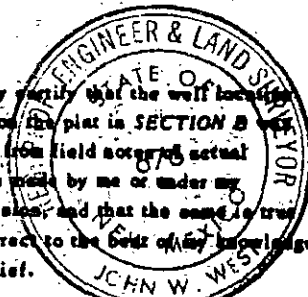
Name **A. M. RUSSELL**

Position **Area Production Manager**

Company **Gulf Oil Corporation**

Date **February 19, 1962**

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



Date Surveyed Jan 31, 1962
Registered Professional Engineer and/or Land Surveyor, JOHN W. WEST
Certificate No. N.M. - P.E. & L.S. NO. 678

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

/ MEXICO OIL CONSERVATION COMMISS. N
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-12R
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

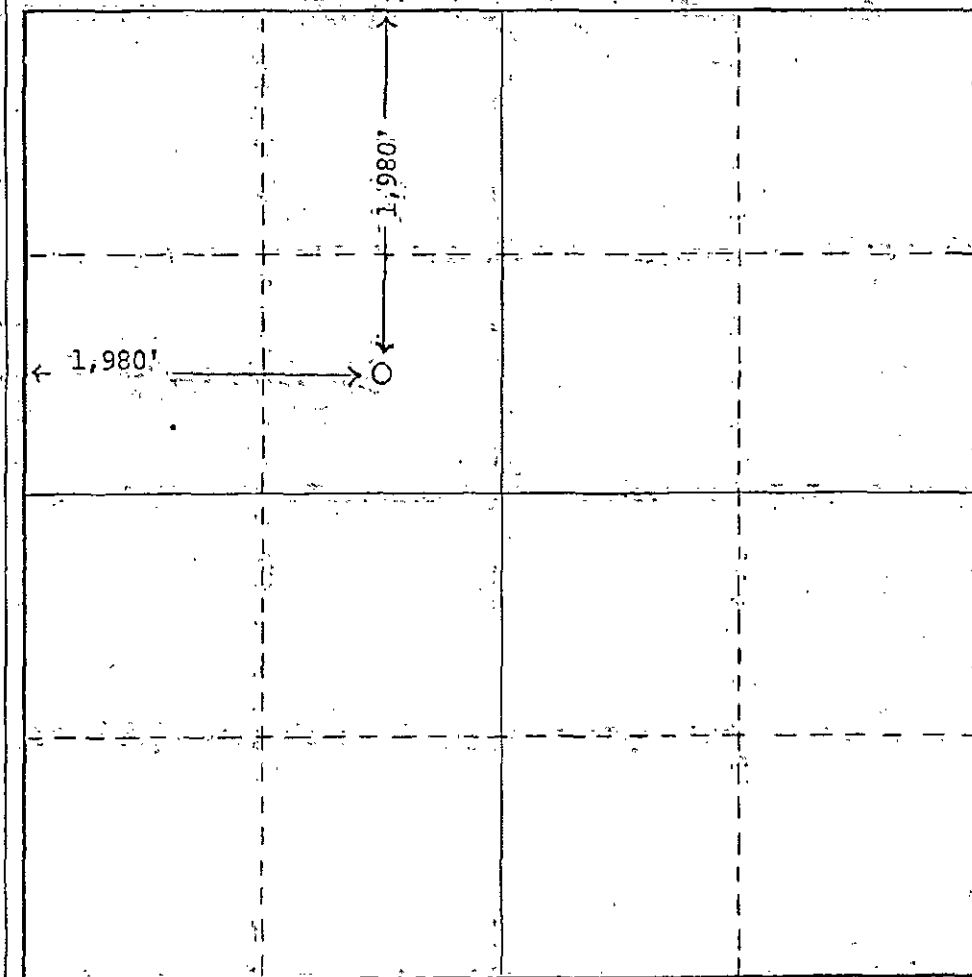
Operator SHENANDOAH OIL CORPORATION			Lease <i>Rephane et al & Federal</i> FEDERAL-KEOHANE "B" (et al)		Well No. 3
Unit Letter F	Section 28	Township 18S	Range 31E	County Eddy	
Actual Footage Location of Well: 1,980 feet from the West line and 1,980 feet from the North line					
Ground Level Elevation 3,621	Producing Formation Queen	Pool Shugart		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Neil F. Toler
Name

Neil F. Toler

Position
Manager/Secondary Rec.

Company
Shenandoah Oil Corp.

Date
December 14, 1972

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

(See original)

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

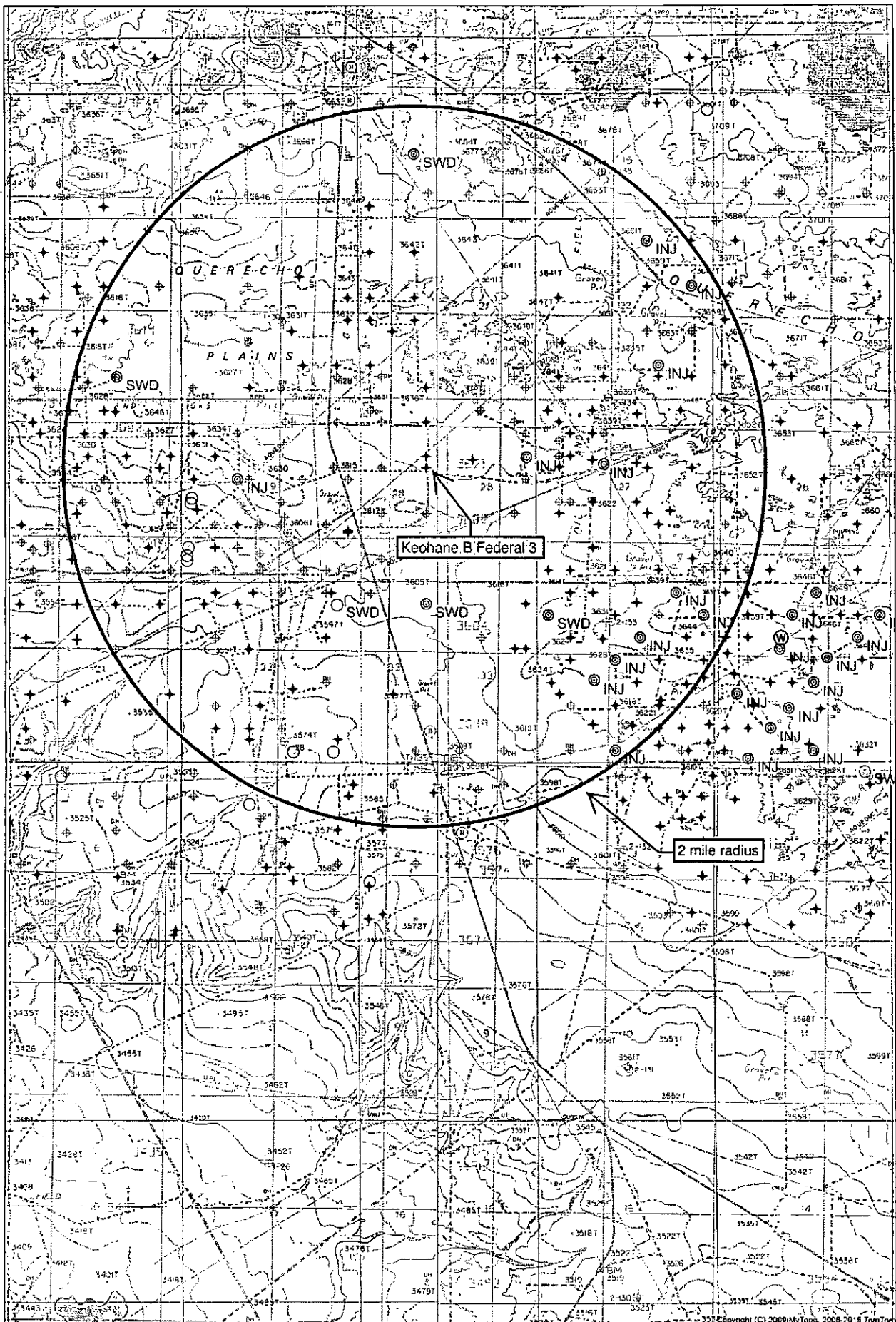
EXHIBIT A

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

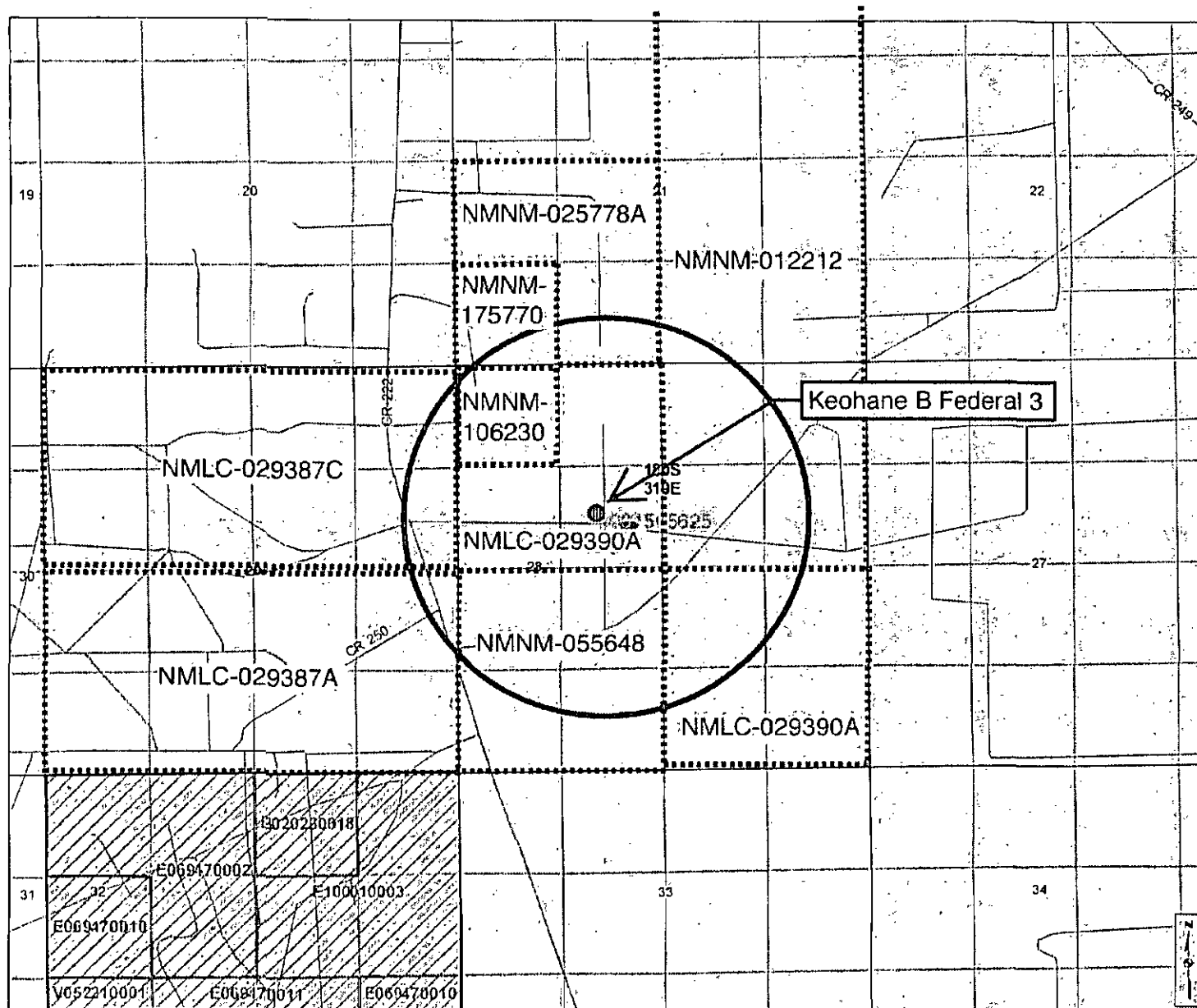


EXHIBIT B



Quad: GREENWOOD LAKE
Scale: 1 inch = 2,564 ft.

EXHIBIT C



Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- US Hwy
- NM Hwy
- Local Road
- Continental Divide

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOC Order R-111-P
- Potash Enclave Outline

NMOC Oil and Gas Wells

- CO₂
- Gas
- Injection
- Miscellaneous
- Oil
- Salt Water Disposal
- Water
- DA or PA

New Mexico State Land Office Oil, Gas and Minerals

0 0.05 0.1 0.2 0.3 0.4
Miles

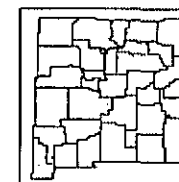
Universal Transverse Mercator Projection, Zone 13
1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers, or any other data layer.

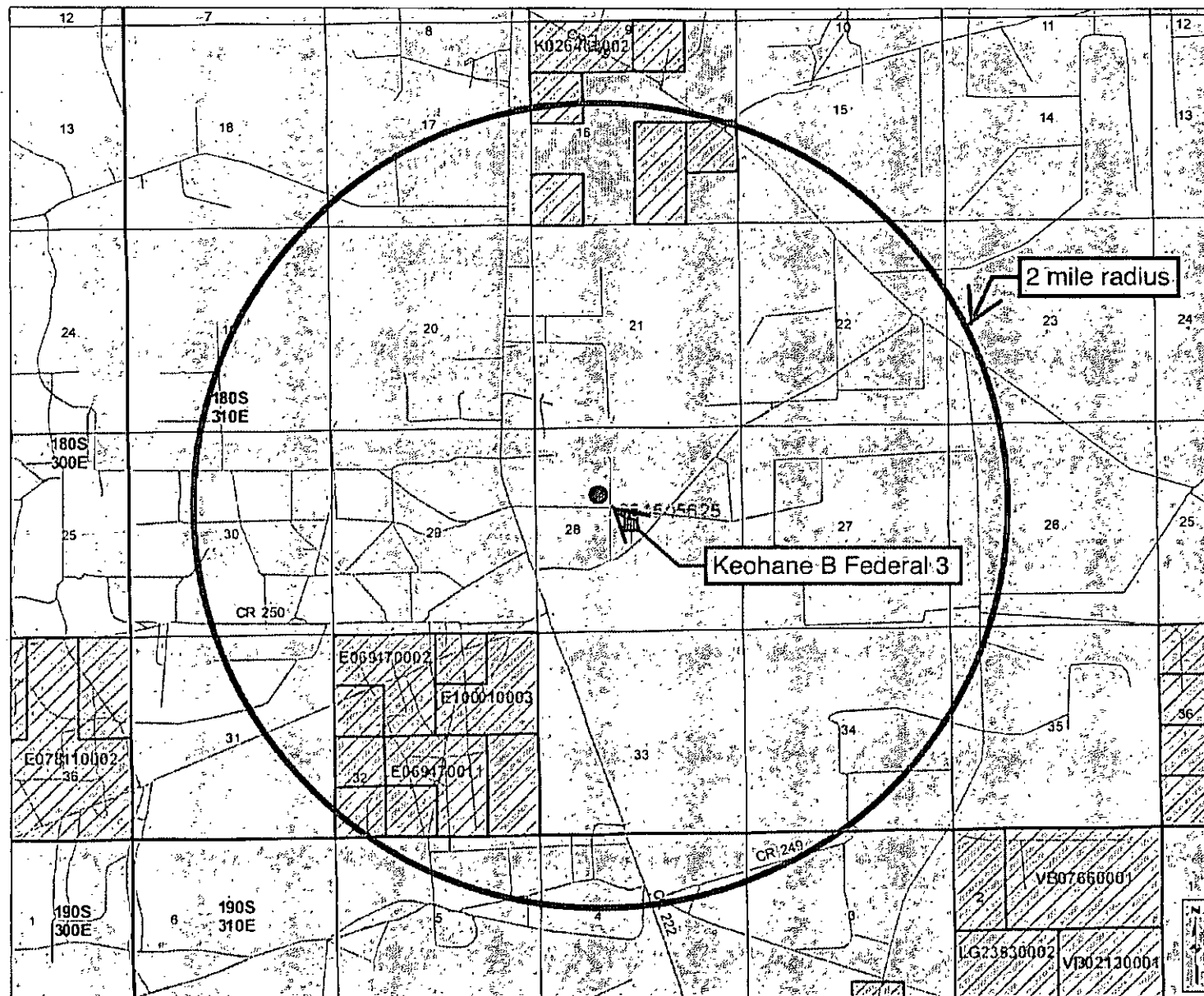
Land Office Geographic Information Center
logie@sls.state.nm.us

Created On 3/25/2015 10:44:34 AM

EXHIBIT D



www.nmstatelands.org



Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- NM Hwy
- Continental Divide
- US Hwy
- Local Road

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Veins
- NMOC Order R-111-P
- Potash Enclave Outline

NMOC Oil and Gas Wells

- CO₂
- Injection
- Oil
- Water
- Gas
- Miscellaneous
- Salt Water Disposal
- DA or PA

New Mexico State Land Office

Oil, Gas and Minerals

0 0.1 0.2 0.4 0.6 0.8 Miles

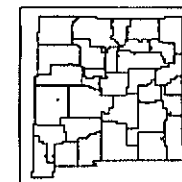
Universal Transverse Mercator Projection, Zone 13
1983 North American Datum

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Land Office Geographic Information Center
logic@do.state.nm.us

Created On: 3/23/2015 10:45:17 AM

EXHIBIT E



www.nmstatelands.org

Sorted by distance from Keohane B Federal 3

API	WHO	UL	T18S, R31E SECTION	TVD	WELL	TYPE WELL	ZONE	FEET FROM SWD
3001530363	Devon	F	28	12050	Shugart 28 Fed. 2	G	Shugart; Morrow (G)	330
3001505624	LG&S	C	28	3650	Keohane B Fed. 2	O	Shugart; Y- 7R-Q-Gray	1320
3001505622	Gulf	K	28	3650	Keohane et al A Fed. 3	P&A	Shugart; Y- 7R-Q-Gray	1320
3001505623	Xeric	E	28	3650	Keohane et al B Fed. 1	P&A	Shugart; Y- 7R-Q-Gray	1326
3001530137	Devon	G	28	11990	Shugart 28 Fed. 1	G	Shugart; Morrow (G)	1403
3001505619	Fullerton	D	28	3653	Little A 1	P&A	Shugart; Y- 7R-Q-Gray	1871
3001505621	Cimarex	L	28	3682	Keohane et al A Fed. 2	P&A	Shugart; Y- 7R-Q-Gray	1872
3001505600	T R Cone	N	21	3621	N. Shugart Queen Unit 11	O	Shugart; Y- 7R-Q-Gray	2310
3001520223	J M Welch	B	28	3965	Gulf B 1	P&A	Shugart; Y- 7R-Q-Gray	2323
3001510113	Chemical Express	D	28	3653	Texaco Fed. 2	P&A	Shugart; Y- 7R-Q-Gray	2339
3001510141	V S Welch	E	29	2740	Kenwood 1	P&A	Shugart; Y- 7R-Q-Gray	2344
3001505630	Cimarex	H	29	4150	Shugart APCO A 3	P&A	Shugart; Y- 7R-Q-Gray	2753

Gulf's Keohane et al A Federal 3
30-015-05622
K-28-18s-31e
spud: 4-7-62
P&A: 5-2-62

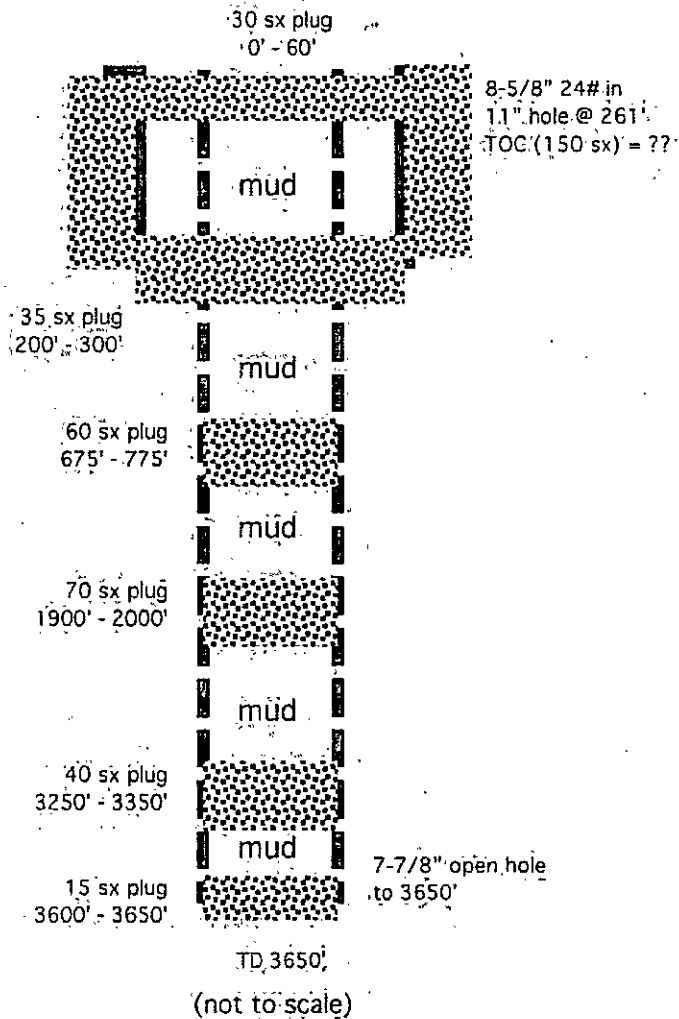


EXHIBIT F

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS

Xeric's Keohane et al B Federal 1

30-015-05623

E-28-18s-31e

spud: 2-22-62

P&A: 5-31-95

water injection well 1972-1993

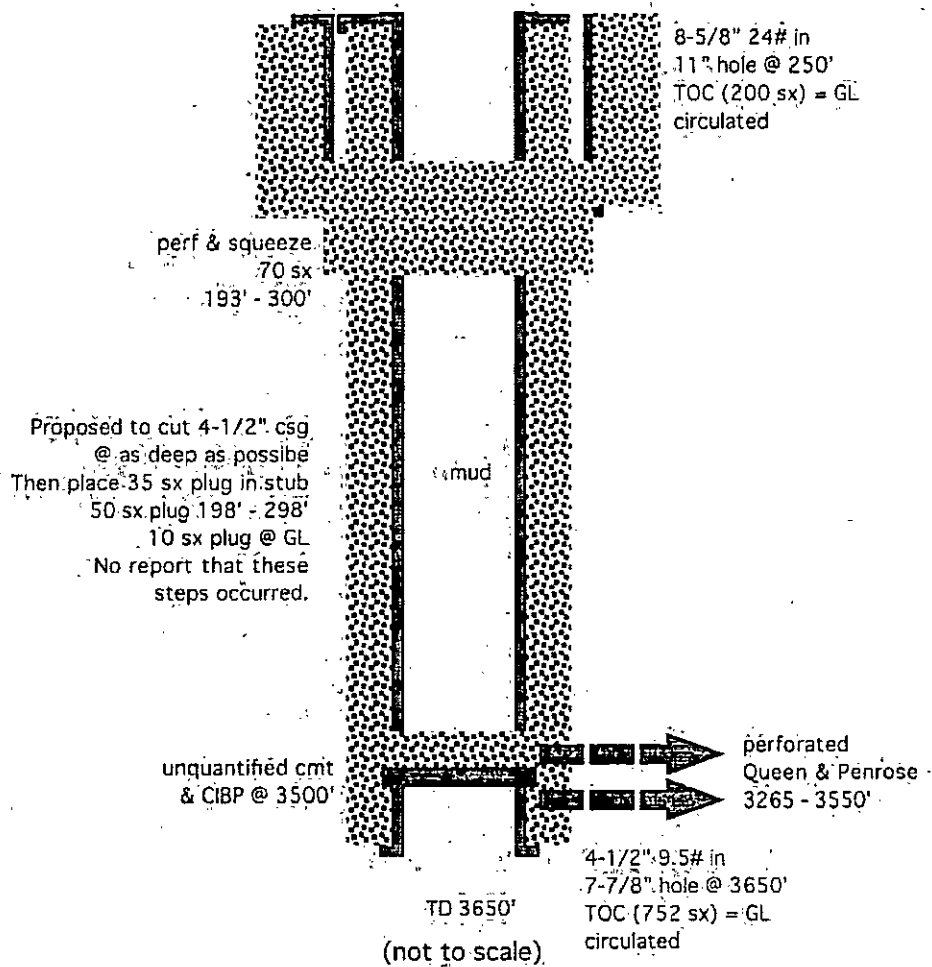


EXHIBIT F

PERMYTS WEST INC.
PROVIDING PERMYTS for LAND USERS

Fullerton's Little A 1

30-015-05619

D-28-18s-31e

spud: 2-18-41

P&A: 7-6-48

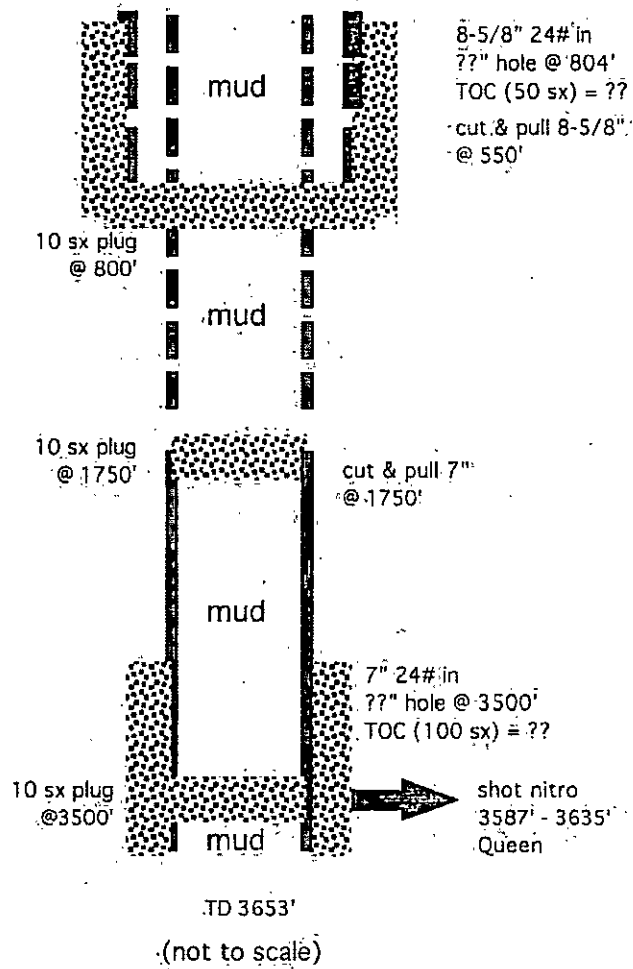


EXHIBIT F

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS

CIMAREX

Cimarex's
Keohane et al A Federal 2
30-015-05621
L-28-18s-31e
spud: 12-4-61

GL = 3602'
KB = 3613'

perf & sqz
35 sx
GL - 100'

perf & sqz
35 sx
505' - 637'

perf & sqz
35 sx
843' - 968'

11" hole

8 5/8", 24# sg @ 918'
cmtd 400 SX Circ to surface

85. sx
1678' - 2400'
& CIBP @ 2400'

TOC = 1580 by TS

25. sx
3226' - 3476'
& CIBP @ 3476'

Yates perms 2441' - 2578'

Queen & Penrose perms
3332' - 3600'

TD @ 3681'
PBD @ 3641'

4-1/2", 9.5# J-55 @ 3677' cmtd w/ 500 SX

7-7/8" hole

Welch's Gulf B 1
30-015-20223
B-28-18s-31e
spud: 5-16-69
P&A: 9-24-91

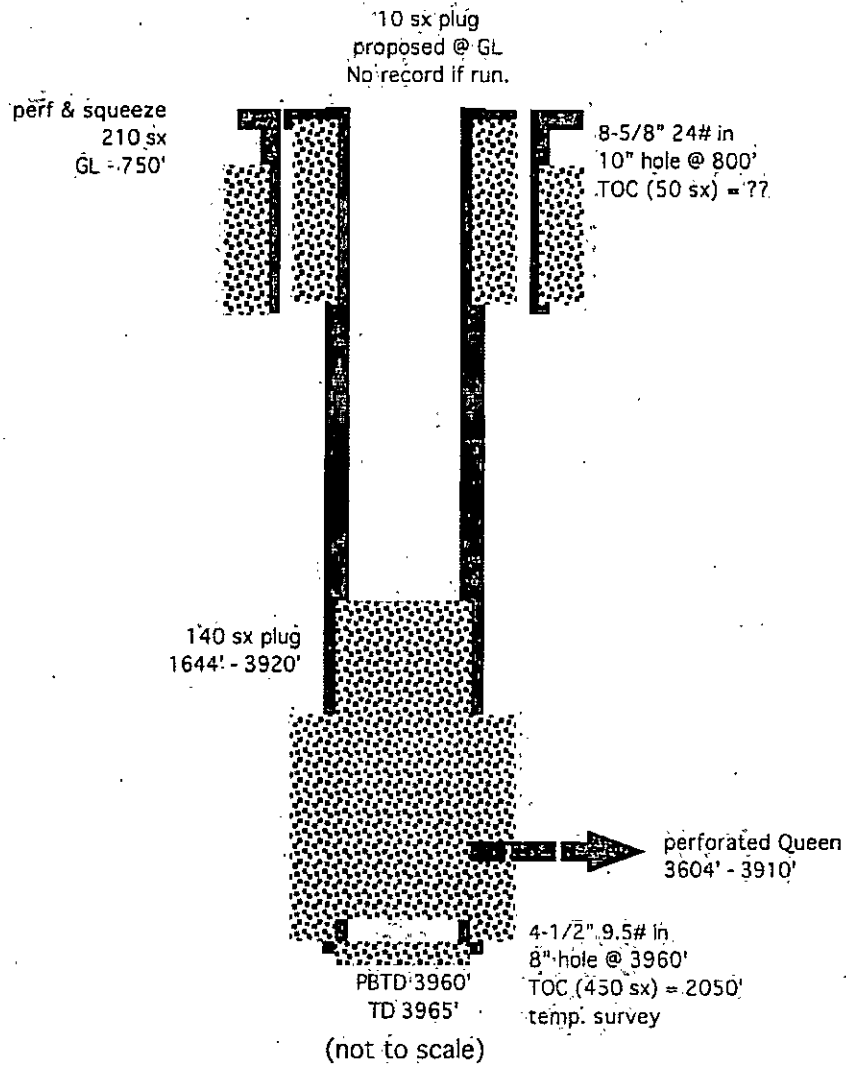


EXHIBIT F

PERMITS WEST INC.
PROVIDING PERMITS FOR LAND USERS

Chemical Express' Texaco Federal 2

30-015-10113

D-28-18s-31e

spud: 7-29-62

P&A: 4-21-63

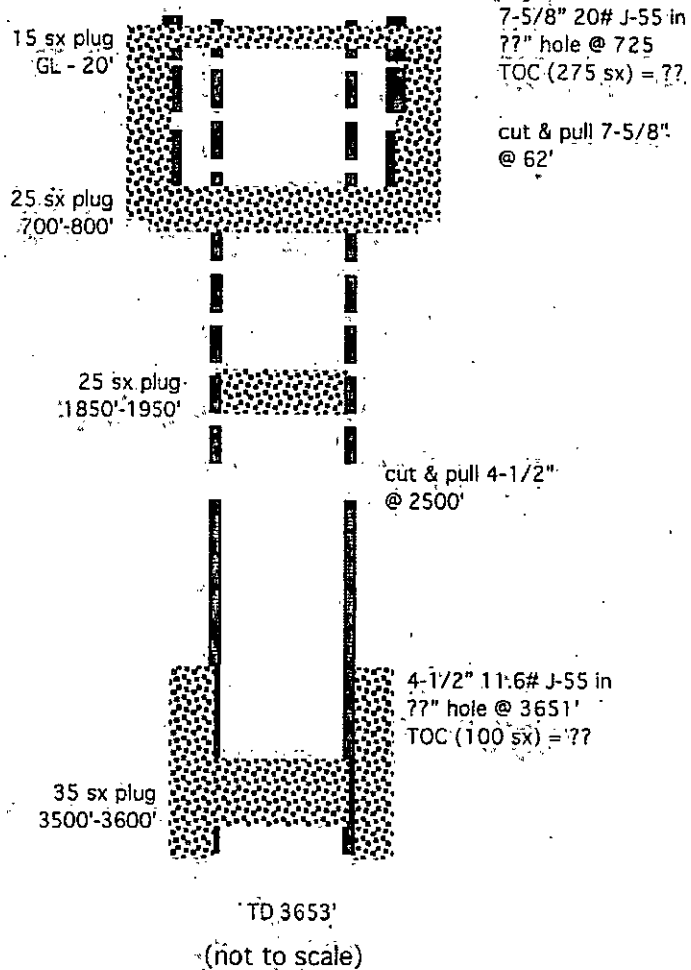


EXHIBIT F

PERMITS WEST INC.
PROVIDING PERMITS FOR LAND USERS

PETROLITE OILFIELD CHEMICALS GROUP
ARTESIA, NEW MEXICO
WATER ANALYSIS REPORT

COMPANY NAME : J.M. WELCH
LEASE NAME : GULF B
SAMPLE POINT : WELL #1
SAMPLE DATE : 2-21-87

30-015-20223
B-28-18s-31e
Welch's Gulf B 1
Queen Em

PH = 6.50
SAMPLE TEMP. = N/A
H2S (QUALITATIVE) = NEG.
SPECIFIC GRAVITY = 1.120

TITRATED AND CALCULATED IONS

HC03 (MG/LTR) =	207.00	HC03 (MEQ/LTR) =	3.39
CL (MG/LTR) =	92312.00	CL (MEQ/LTR) =	2600.34
SO4 (MG/LTR) =	1500.00	SO4 (MEQ/LTR) =	31.25
CA (MG/LTR) =	7120.00	CA (MEQ/LTR) =	356.00
MG (MG/LTR) =	4058.00	MG (MEQ/LTR) =	332.62
NA (MG/LTR) =	44735.00	NA (MEQ/LTR) =	1945.00

IONIC STRENGTH = 2.00
TOTAL HARDNESS = 34499.59
TOTAL DISSOLVED SOLIDS = 149781.68
TOTAL IRON (FE) = 0.0

CA(HC03)2 (MG/LTR) =	275.00	CA(HC03)2 (MEQ/LTR) =	3.39
CA(S04) (MG/LTR) =	2127.18	CA(S04) (MEQ/LTR) =	31.25
CA(CL2) (MG/LTR) =	17835.29	CA(CL2) (MEQ/LTR) =	321.85
MG(HC03)2 (MG/LTR) =	0.0	MG(HC03)2 (MEQ/LTR) =	0.0
MG(S04) (MG/LTR) =	0.0	MG(S04) (MEQ/LTR) =	0.0
MG(CL2) (MG/LTR) =	15839.50	MG(CL2) (MEQ/LTR) =	332.62
NA(HC03) (MG/LTR) =	0.0	NA(HC03) (MEQ/LTR) =	0.0
NA2(S04) (MG/LTR) =	0.0	NA2(S04) (MEQ/LTR) =	0.0
NA(CL) (MG/LTR) =	113704.70	NA(CL) (MEQ/LTR) =	1945.00

CALCULATED SCALING TENDENCIES

SCALING INDEX

CA(C03) @ 80 DEG F = 0.28
CA(C03) @ 120 DEG F = 0.79

SATURATION POINT

CA(S04) @ 70 DEG F (MG/LTR) = 2340.04
CA(S04) @ 110 DEG F (MG/LTR) = 2319.94
THIS SAMPLE CONTAINED 2127.18 MG/LTR

EXHIBIT G



New Mexico Office of the State Engineer

Active & Inactive Points of Diversion

(with Ownership Information)

No PODs found.

UTMNA83 Radius Search (in meters):

Easting (X): 605273

Northing (Y): 3620840

Radius: 3220 meters

x 3.28 feet/meter

10,561' (= 2.00 miles)

EXHIBIT H

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

1/22/15 4:36 PM

Page 1 of 1

ACTIVE & INACTIVE POINTS OF DIVERSION



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

No records found.

UTMNAD83 Radius Search (in meters):

Easting (X): 605273

Northing (Y): 3620840

Radius: 3220

EXHIBIT H

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

1/22/15 4:37 PM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER

Ogallala boundary

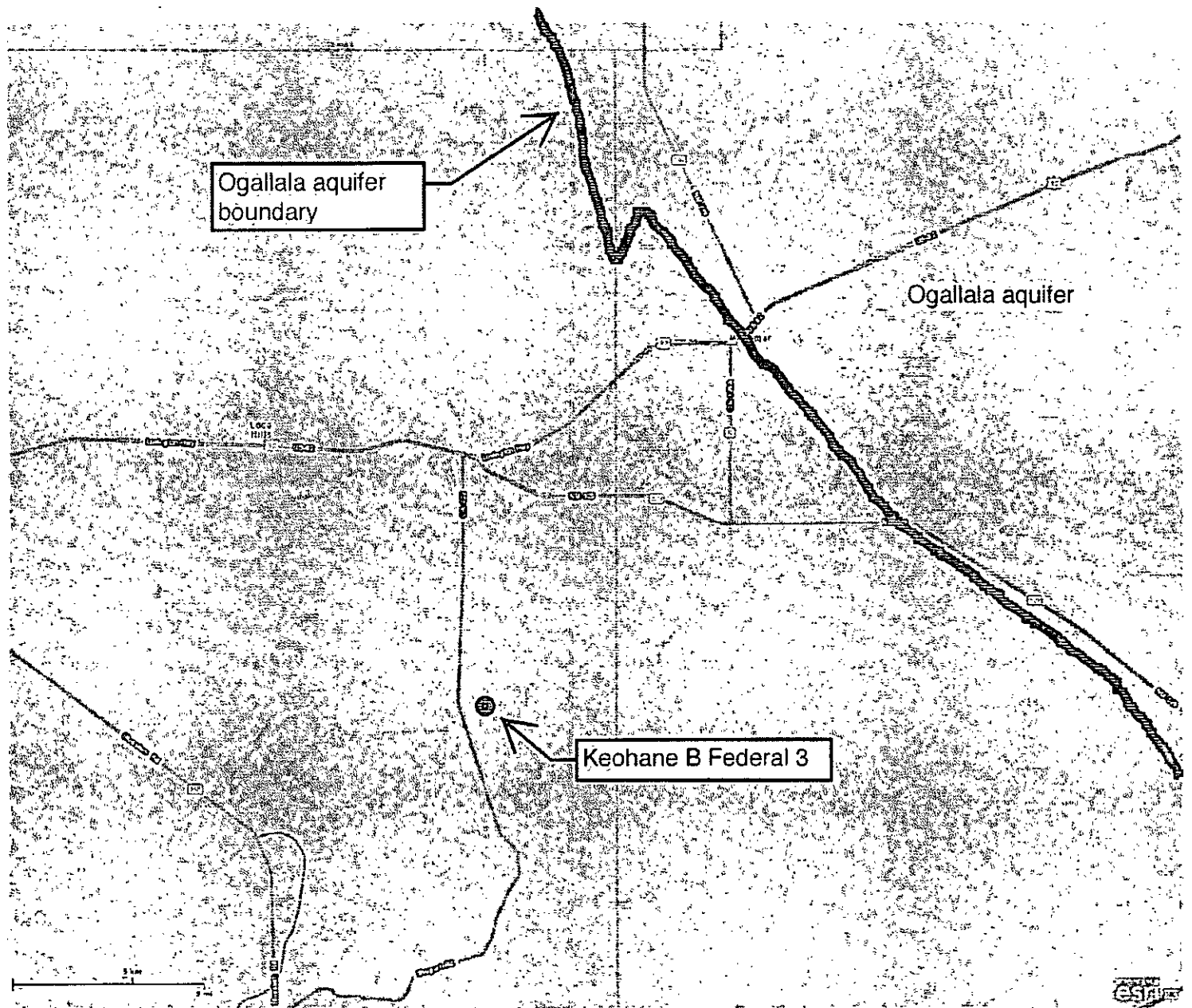
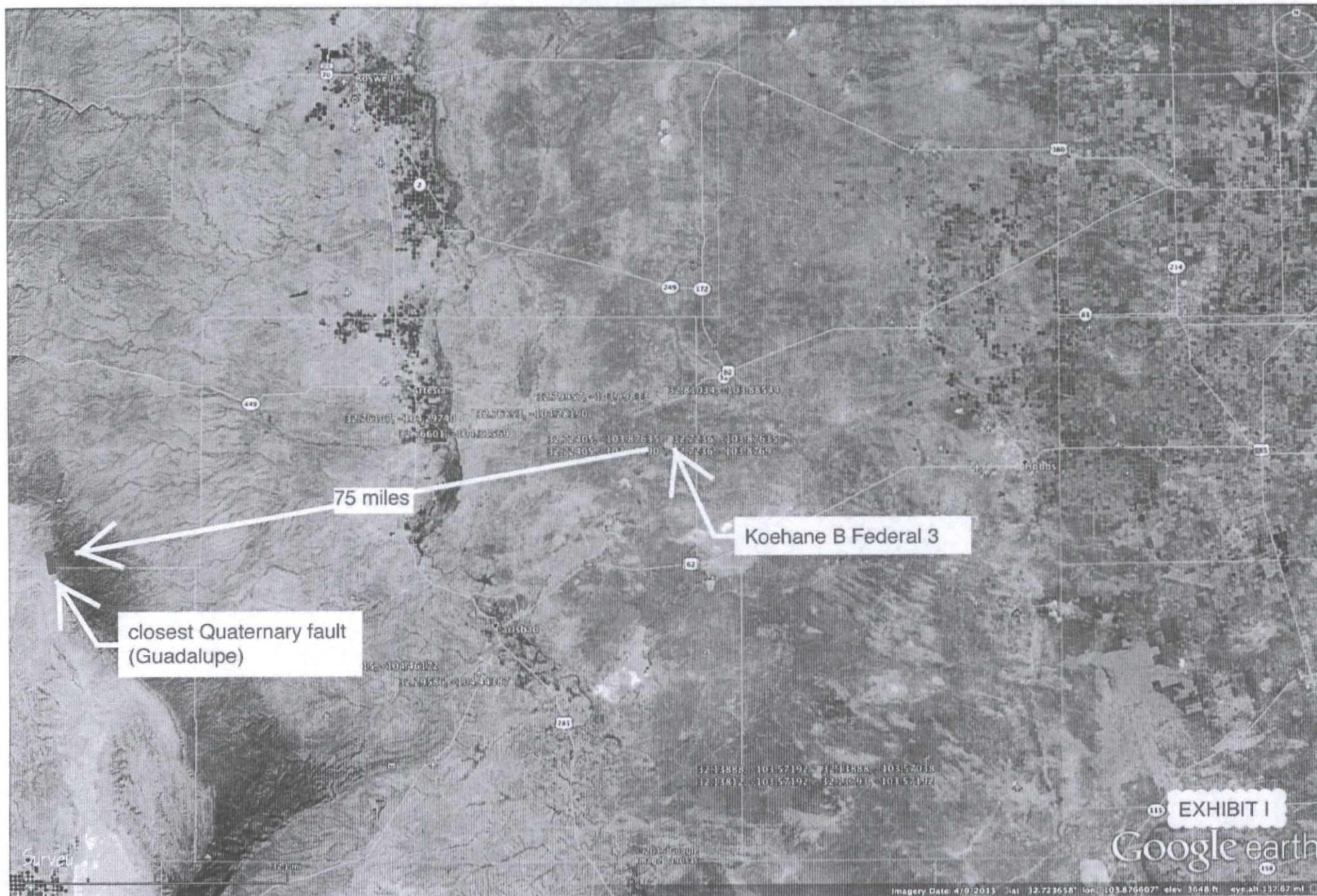


EXHIBIT H



Affidavit of Publication

No. 23329

State of New Mexico

County of Eddy

Danny Scott

being duly sworn, says that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication January 25, 2015

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Subscribed and sworn before me this

26th day of January 2015



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

LG&S Oil Company, LLC is applying to convert 2 oil wells to saltwater disposal wells. Maximum disposal rate will be 5,000 bwpd per well. Maximum disposal pressure will be 656 psi. Disposal zone will be the Queen. The wells are 9 miles southeast of Loco Hills, NM in Section 28, T. 18 S., R. 31 E. The Keohane B Federal 2 is 660 FNL & 1980 FWL. Disposal interval will be 3284' - 3546'. The Keohane B Federal 3 is 1980 FNL & 1980 FWL. Disposal interval will be 3280' - 3570'. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days. Additional information can be obtained by contacting: Brian Wood, Permits West, Inc., 37 Verano Loop, Santa Fe, NM 87508. Phone number is (505) 466-8120. Published in the Artesia Daily Press, Artesia, N.M., January 25, 2015 Legal No. 23329.

EXHIBIT J



April 6, 2015

Concho Oil & Gas LLC
600 W Illinois Ave, One Concho Center
Midland TX 79701-4882

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections:

Well Name: Keohane B Federal 3 (BLM lease NMLC-029390A) TD = 3,650'
Proposed Disposal Zone: Queen (3,280' - 3,570')
Location: 1980' FNL & 1980' FWL Sec. 28, T. 18 S., R. 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P.O. Box 2081, Lovington NM 88260

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

2012 1010 0000 4650 7509

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Restricted Delivery Fee (Endorsement Required)		Postmark	
Total Postage & Fees	\$		
Sent To			
Concho Oil & Gas LLC			
600 W Illinois Ave			
One Concho Center			
Midland TX 79701-4882			
LG&S Keohane Fed 3			



April 6, 2015

BLM
620 E. Greene
Carlsbad NM 88220

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Proposed Disposal Zone: Queen (3,280' - 3,570')
Location: 1980' FNL & 1980' FWL Sec. 28, T. 18 S., R. 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P.O. Box 2081, Lovington NM 88260

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

2012 1010 0000 4650 3760

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Return Receipt Fee (Endorsement Required)		Postmark	
Restricted Delivery Fee (Endorsement Required)		Postmark	
Total Postage & Fees	\$		
Sent To			
BLM			
620 E. Greene			
Carlsbad NM 88220			



April 6, 2015

18-31 Inc
PO Box 1120
Roswell NM 88201

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections:

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Location: 1980' FNL & 1980' FWL Sec. 28, T. 18 S., R. 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P.O. Box 2081, Lovington NM 88260

Submission Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4651 3302

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Total Postage & Fees \$

APR - 6 2015
87652

Sent To: 18-31 Inc
Street, Apt. No.: PO Box 1120
or PO Box No.: Roswell NM 88201
City, State, ZIP+4: LG&S Keohane Fed 3



April 6, 2015

Devon Energy Prod. Co. LP
333 W. Sheridan Ave.
Oklahoma City OK 73102-5010

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections:

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Location: 1980' FNL & 1980' FWL Sec. 28, T. 18 S., R. 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P.O. Box 2081, Lovington NM 88260

Submission Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

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Total Postage & Fees \$

APR - 5 2015
87652

Sent To: Devon Energy Prod. Co. LP
Street, Apt. No.: 333 W. Sheridan Ave.
or PO Box No.: Oklahoma City OK 73102-5010
City, State, ZIP+4: LG&S Keohane Fed 3

EXHIBIT K



April 6, 2015

Claire Ann Iverson
2005 Kidwell St.
Dallas TX 75214

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Keohane B Federal 3 (BLM lease NMLC-029390A) **ID** = 3,650;
Proposed Disposal Zone: Queen (3,280' - 3,570')
Location: 1980' FNL & 1980' FWL Sec. 28, T. 18 S., R. 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P. O. Box 2081, Lovington NM 88260

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Claire Ann Iverson 2005 Kidwell St. Dallas TX 75214 LG&S Keohane Fed 3	

EXHIBIT K



April 6, 2015

Siegfried James III Iverson
PO Box 4005
Midland TX 79704

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P. O. Box 2081, Lovington NM 88260

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

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Certified Fee \$	APR - 6 2015
Return Receipt Fee (Endorsement Required)	87562
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Siegfried James III Iverson PO Box 4095 Midland TX 79704 LG&S Keohane Fed 3	



April 6, 2015

Wendell W Iverson
PO Box 1343
Midland TX 79702

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Keohane B Federal 3 (BLM lease NMLC-029390A) **TD = 3,650'**
Proposed Disposal Zone: Queen (3,280' - 3,570')
Location: 1980' FNL & 1980' FWL Sec. 28, T: 18 S., R: 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P. O. Box 2081, Lovington NM 88260

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4651 3357

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

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

Postage	\$	87562
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	87562

APR - 6 2015

Sent To: **Wendell W Iverson**
Street, Apt. No., or PO Box No.: **PO Box 1343**
City, State, ZIP+4: **Midland TX 79702**
LG&S Keohane Fed 3



April 6, 2015

Patsy Page Iverson
1155 Muirlands Vista Way
La Jolla CA 92037

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Approximate Location: 9 air miles southeast of Loco Hills, NM
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Applicant's Address: P. O. Box 2081, Lovington NM 88260

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Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4651 3357

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Postage		
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	87562

APR - 6 2015

Sent To: **Patsy Page Iverson**
Street, Apt. No., or PO Box No.: **1155 Muirlands Vista Way**
City, State, ZIP+4: **La Jolla CA 92037**
LG&S Keohane Fed 3

EXHIBIT K



April 6, 2015

Magnum Hunter Production Inc.
202 S. Cheyenne Ave, STE 1000
Tulsa OK 74103-3001

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Submission Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

7-2-15

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

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

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

7012 1010 0000 4651 3371

Sent To: Magnum Hunter Production Inc.
202 S. Cheyenne Ave, STE 1000
Tulsa OK 74103-3001
Street Apt. No., or PO Box No.
City, State, ZIP+4 LG&S Keohane Fed 3

APR - 6 2015
87552



April 6, 2015

Penwell Energy Inc.
600 N. Marienfeld #1100
Midland TX 79701

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant's Address: P. O. Box 2081, Lovington NM 88260

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Please call me if you have any questions.

Sincerely,

Brian Wood

7-2-15

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

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

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

7012 1010 0000 4651 3371

Sent To: Penwell Energy Inc.
600 N. Marienfeld #1100
Midland TX 79701
Street Apt. No., or PO Box No.
City, State, ZIP+4 LG&S Keohane Fed 3

APR - 6 2015
87552



April 6, 2015

S & P Co.
330 Marshall St #300
Shreveport LA 71101

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood

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

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

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

APR - 6 2015
87552

Sent To: S & P Co.
330 Marshall St #300
Shreveport LA 71101
City, State, ZIP+4: LG&S Keohane Fed-3



April 6, 2015

Sklarco LLC
PO Box 1753
Shreveport LA 71166

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant's Address: P. O. Box 2081, Lovington NM 88260

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Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service
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Postage \$
Certified Fee \$
Return Receipt Fee (Endorsement Required) \$
Restricted Delivery Fee (Endorsement Required) \$
Total Postage & Fees \$

APR - 6 2015
87552

Sent To: Sklarco LLC
PO Box 1753
Shreveport LA 71166
City, State, ZIP+4: LG&S Keohane Fed-3

EXHIBIT K



April 6, 2015

Endergen Resources Co.
605 Richard Arrington Jr Blvd.
Birmingham AL 35203-2707

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant's Address: P.O. Box 2081, Lovington NM 88260

Submission Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood.

7012 1010 0000 4651 3401

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Postage	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.90
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.82

RECEIVED NM
APR - 6 2015
87552

Sent To
Endergen Resources Co.
605 Richard Arrington Jr Blvd.
Birmingham AL 35203-2707
LG&S Keohane Fed 3

Street, Apt. No., or PO Box No.
City, State, ZIP+4



April 6, 2015

Fidelity Expl & Prod Co.
1700 Lincoln St., STE 4600
Denver CO 80203-4509

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Please call me if you have any questions.

Sincerely,

Brian Wood.

7012 1010 0000 4651 3401

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Postage	\$ 1.82
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.90
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.82

RECEIVED NM
APR - 6 2015
87552

Sent To
Fidelity Expl & Prod Co.
1700 Lincoln St., STE 4600
Denver CO 80203-4509
LG&S Keohane Fed 3

Street, Apt. No., or PO Box No.
City, State, ZIP+4

EXHIBIT K



April 6, 2015

Jim Pierce
200 W 1st CT #859
Roswell NM 88201

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P. O. Box 2081, Lovington NM 88260

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Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

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

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

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

7012 1010 0000 4651 3425

7012 1010 0000 4651 3425

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

Jim Pierce
200 W 1st CT #859
Roswell NM 88201
LG&S Keohane Fed 3



April 6, 2015

Pete Mills
706 Boyd Ave
Midland TX 79705

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Pete Mills

Brian Wood

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

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

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

7012 1010 0000 4651 3425

7012 1010 0000 4651 3425

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

Pete Mills
706 Boyd Ave
Midland TX 79705
LG&S Keohane Fed 3



April 6, 2015

Momentum Operating Co.
224 S. Main
Albany, TX 76430

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Applicant's Address: P. O. Box 2081, Lovington NM 88260

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Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4551 3446

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

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

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

Postmark Here

7552

Sent To: Momentum Operating Co.
Street, Apt. No., or PO Box No. 224 S. Main
City, State, ZIP+4 Albany TX 76430 LG&S Keohane Fed 3

EXHIBIT K



April 6, 2015

John D Pool
PO Box 5441
Midland, TX 79704

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4551 3446

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

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

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

Postmark Here

7552

Sent To: John D Pool
Street, Apt. No., or PO Box No. PO Box 5441
City, State, ZIP+4 Midland TX 79704 LG&S Keohane Fed 3

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

April 6, 2015

Steve Sell
PO Box 5061
Midland TX 79704

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Approximate Location: 9 air miles southeast of Loco Hills, NM

Applicant Name: LG&S Oil Company, LLC (575) 390-0581
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Please call me if you have any questions.

Sincerely,

Brian Wood



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

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

Sent To: Steve Sell
Street, Apt. No., or P.O. Box No: PO Box 5061
City, State, Zip: Midland TX 79704
LG&S Keohane Fed 3

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

April 6, 2015

Southwest Reserves
200 Crescent CT #1310
Dallas TX 75201

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood



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

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

Sent To: Southwest Reserves
Street, Apt. No., or P.O. Box No: 200 Crescent CT #1310
City, State, Zip: Dallas TX 75201
LG&S Keohane Fed 3

EXHIBIT K



April 6, 2015

Southwest Royalties Inc
#6 Desta Dr #2100
Midland TX 79705

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4651 3467

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Postage	\$
Certified Fee	\$
Return Receipt Fee (Endorsement Required)	\$
Restricted Delivery Fee (Endorsement Required)	\$
Total Postage & Fees	\$
Sent To	Southwest Royalties Inc
Street, Apt. No., or PO Box No.	#6 Desta Dr #2100
City, State, ZIP+4	Midland TX 79705

APR - 6 2015
87552



April 6, 2015

Nearburg Expl. Co. LLC
3300 N.A. ST #120
Midland TX 79705

LG&S Oil Company, LLC is applying (see attached application) to convert its Keohane B Federal 3 well to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposed saltwater disposal well in Eddy County, NM. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Keohane B Federal 3 (BLM lease NMLC-029390A) **ID = 3,650'**
Proposed Disposal Zone: Queen (3,280' - 3,570')
Location: 1980' FNL & 1980' FWL Sec. 28, T. 18 S., R. 31 E.
Approximate Location: 9 air miles southeast of Loco Hills, NM
Applicant Name: LG&S Oil Company, LLC (575) 390-0581
Applicant's Address: P.O. Box 2081, Lovington NM 88260

Submittal Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

7012 1010 0000 4651 3467

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Postage	\$
Certified Fee	\$
Return Receipt Fee (Endorsement Required)	\$
Restricted Delivery Fee (Endorsement Required)	\$
Total Postage & Fees	\$
Sent To	Nearburg Expl. Co. LLC
Street, Apt. No., or PO Box No.	3300 N.A. ST #120
City, State, ZIP+4	Midland TX 79705

APR - 6 2015
87552

EXHIBIT K



April 6, 2015,

Rost Energy Co Inc.
PO Box 5171
Pittsburgh PA 15206

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Submission Information: Application for a saltwater disposal well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

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Certified Fee	APR - 6 2015
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	87552
Total Postage & Fees	\$
Sent To: Rost Energy Co Inc PO Box 5171 Pittsburgh PA 15206 City, State, ZIP+4 LG&S Keohane Fed 3.	



April 6, 2015

COG Operating LLC
600 W Illinois Ave
Midland TX 79701-4882

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Postage	\$
Certified Fee	APR - 6 2015
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	87552
Total Postage & Fees	\$
Sent To: COG Operating LLC 600 W Illinois Ave Midland TX 79701-4882 City, State, ZIP+4 LG&S Keohane Fed 3	

CASE NO. 15345: Application of LG&S Oil Company, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Queen formation at depths of 3280 feet to 3570 feet subsurface in the **Keohane B Federal 3 Well**, located 1980 feet from the North line and 1980 feet from the West line, Unit F, of Section 28, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 10 miles south of Maljamar, New Mexico.