BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ROCKCLIFF OPERATING NEW MEXICO LLC FOR APPROVAL OF A SALT WATER DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

15791

APPLICATION

Rockcliff Operating New Mexico LLC applies for an order approving a salt water disposal well, and in support thereof, states:

1. Applicant proposes to re-enter the South Culebra Bluff Unit Well No. 1, located 1980 feet from the north line and 1650 feet from the east line of Section 23, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

2. The well is currently completed in the Bone Spring formation. Applicant will squeeze the Bone Spring perforations, clean out the well to 11879 feet subsurface, and convert it into a salt water disposal well with injection into the Atoka formation at depths of 11750-11879 feet subsurface.

3. A Form C-108 for the subject well is attached hereto as Attachment A.

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.

pectfully submitted,

James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Rockcliff Operating New Mexico LLC

| STA ENE RES | TE OF NEW MEXICO RGY, MINERALS AND NATURAL OURCES DEPARTMENT OURCES |
|-------------------|--|
| I. | PURPOSE: Secondary Recovery Pressure Maintenance XXX Disposal Storage Application qualifies for administrative approval? Yes No |
| II. | OPERATOR: ROCKCLIFF OPERATING NEW MEXICO LLC |
| | ADDRESS: 1301 MCKINNEY, SUITE 1300, HOUSTON TX 77010 |
| | 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: <u>30-015-22320</u> |
| | Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, 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 |
| | SIGNATURE:DATE: JUNE 19, 2017 |
| * | E-MAIL ADDRESS: brian@permitswest.com If the information required under Sections VI, VIII, X, and XI above has been pre Please show the date and circumstances of the earlier submittal: EXHIBIT |
| DIST | RIBUTION: Original and one copy to Santa Fe with one copy to the appropriate D |

1

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

Side 2

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.



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| Tub | ing Size: | 3.5" | | L | ining Ma | terial: | PLAS | FIC | | | |
|-----|---|--|-------------------------------------|----------------------------------|----------------------------------|-------------------------------------|-------------------------|-----------------------------|----------------------------|--------------------|-----------|
| Тур | e of Packer: | 7" X 3.5" | NICKEL | PLATED | &/OR | STAIN | LESS | STEEL | ARROV | VSET 3 | LX |
| Pac | ker Setting | Depth: <u>~11</u> , | 700' | | | | | | | | |
| Oth | er Type of | Tubing/Casing | Seal (if app | plicable): | ····· | | | | | | |
| | | | | <u>Addition</u> | nal Data | | | | | | |
| 1. | Is this a ne | w well drilled | for injectio | n? | | Ye | es <u>x</u> | <u>kx</u> No | | | |
| | If no, for v | what purpose w | as the well | originally | drilled? | GAS W | ELL | | | | |
| 2. | Name of t | he Injection Fo | rmation: _2 | ATOKA | | | | | | | |
| 3. | Name of F | ield or Pool (if | applicable |): _SWD;A | TOKA (| 96169 |) | | | | <u></u> . |
| 4. | Has the we intervals a | ell ever been pe nd give pluggi | erforated in ng detail, i. | any other e. sacks of | zone(s)? cement o | List al or plug(| ll such j (s) used | erforate | d | | |
| 5. | BONE SPI ATOKA IS Give the n injection z | RING IS PE 5 OH FROM ame and depth one in this area | RFORATED 11745 T s of any oil | OFROM 8 O 11879 or gas zon | 8744 ' ' 9 ' & W les under | <u>FO 88(</u> ILL BI lying or | 05'& EAN r overly | WILL OH DIS ing the p | BE_SC POSAL proposed | UEEZE ZONE 1 | D |
| | OVER: B | RUSHY CANY | <u>ON (≈46</u> | 70'), B | ONE SP | RING | (6698 | l') | , .,. <u>.</u> | | |
| | | MORROW (≈1 | 2,040') | | | | · | | | | |
| | UNDER: | NONE | | | | | | | | | |

ROCKCLIFF OPERATING NEW MEXICO LLC SOUTH CULEBRA BLUFF UNIT 1 1980' FNL & 1650' FEL SEC. 23, T. 23 S., R.28 E. EDDY COUNTY, NM

30-015-22320

I. This replaces an earlier application to convert this well to a Devonian SWD. New plan is to squeeze an existing Bone Spring oil well, clean out to 11879' (TD), and convert it to a saltwater disposal well. Proposed disposal interval will be 11750' – 11879' in the SWD; Atoka (96169). See Exhibit A for map and Form C-102. The well produced one barrel of oil and no gas in 2016 from the Culebra Bluff; Bone Spring, South Pool (15011). The Unit includes "any and all formations". The other 6 wells in the Unit are Loving; Brush Canyon, East (40350) oil wells.

- II. Operator: Rockcliff Operating New Mexico LLC (OGRID 371115) Operator phone number: (713) 351-0500 Operator address: 1301 McKinney, Suite 1300, Houston TX 77010 Contact for Application: Brian Wood (Permits West, Inc.) Phone: (505) 466-8120
- III. A. (1) Lease name: South Culebra Bluff Unit (aka, SCBU)
 Well name and number: South Culebra Bluff Unit 1
 Lease Type, Size, & Area: fee (Stennis), 80 acres, and E2NE Sec. 23
 Unit Size & Area: 1280 acres and W2 Sec. 13, E2 Sec. 14, E2 Sec. 23, & W2 Sec. 24; T 23 S., R. 28 E.
 Location: 1980' FNL & 1650' FEL Section 23, T. 23 S., R. 28 E.
 - A. (2) Surface casing (13.375", 48 or 61#, K-55) was set in 1977 at 418' in a 17.5" hole and cemented to GL with 500 sacks Class C. One hundred-sixty sacks circulated.

Intermediate casing (9.625", 36 & 40#, K-55) was set at 6355' in a 12.25" hole and cemented in 2 stages to 40' with 2705 sacks. A top job with 30 sacks was then run.

Production casing (7", 23 & 26#, S-95) was set at 11750' in an 8.75" hole and cemented to 5500' (per CBL) with 1100 sacks. TD is, and will remain, 11879'.



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Bone Spring will be squeezed over 3-days, fish (drill pipe) removed, and well will be completed open hole from 11750' to 11879'. See Exhibit B for current well bore diagram and detailed conversion steps.

- A. (3) Tubing will be 3.5", 9.3#, L80 TSH511/EUE, IPC. Setting depth will be ≈ 11700 '. (Disposal interval will be 11750' to 11879'.)
- A. (4) A retrievable nickel-plated or stainless steel Arrowset 1-X packer will be set at ≈11700' (or ≤100' above the top of the open hole which is at 11750').
- B. (1) Disposal zone will be the Atoka (SWD; Atoka (96169) pool). Estimated fracture gradient is ≈0.75 psi per foot.
- B. (2) Disposal interval will be open hole from 11750' to 11879'.
- B. (3) Well was spudded in 1977 as a Morrow gas well. It blew out in the Atoka and was completed as an Atoka gas well in 1978. Atoka was isolated in 2005 below a CIBP and the Bone Spring developed. Bone Spring will be squeezed (Exhibit B). Atoka will be completed open hole as a saltwater disposal well.
- B. (4) Second Bone Spring is perforated from 8744' to 8805'. Atoka, completed as an open hole from 11750' to 11879', is below a CIBP set at 9500' with 20' of cement on top.
- B. (5) Seventeen existing wells (Exhibit C) are in the area of review. One (30-015-22404) penetrated the Atoka (11750'). Two zones in the area of review and above the Atoka are productive. They, and their tops, are the Brushy Canyon (≈4670') and Bone Spring (6698'). One zone in the area of review and below the Atoka has been tested. That lower zone is the Morrow (≈12040'). Closest Atoka (Culebra Bluff; Atoka



ROCKCLIFF OPERATING NEW MEXICO LLC SOUTH CULEBRA BLUFF UNIT 1 1980' FNL & 1650' FEL SEC. 23, T. 23 S., R.28 E. EDDY COUNTY, NM

30-015-22320

South (Gas) 75740) producer (30-015-22686) is 5298' southeast in C-25-23s-28e. It last produced (24 Mcf) in May 2016.

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

V. Exhibit C shows the 17 existing wells (11 oil wells + 5 injection wells + 1 P&A well) within a half-mile radius. Exhibit D shows 151 existing wells (125 oil wells + 17 P&A + 9 injection or disposal wells) within a 2-mile radius.

Exhibits E and F shows all leases and lessors (only fee) within a half-mile radius and two-mile radius (only fee, BLM, and State leases) within each radius. Details on the leases with a half-mile are:

| Aliquot Parts in Area of Review (T23S, R28E) | Lease | Working Interest Owners | Operator |
|--|---------------------|-----------------------------------|-----------------------------------|
| SWSW Sec. 13 | SCBU (Carrasco) | Rockcliff & Chevron | Rockcliff |
| S2SE4 Sec. 14 | SCBU (Howard) | Rockcliff, Chevron, & Rash | Rockcliff |
| SESW Sec. 14 | RGA | Rockcliff, Chevron, & Cottonwood | Chevron |
| E2NE4 Sec. 23 | SCBU (Stennis) | Rockcliff & Chevron | Rockcliff |
| NWNE Sec. 23 | SCBU (Reid) | Rockcliff & Chevron | Rockcliff |
| NW4 Sec. 23 | South Culebra Bluff | Rockcliff & Chevron | Rockcliff |
| SWNE Sec. 23 | SCBU (Donaldson) | Rockcliff & Chevron | Rockcliff |
| N2SE4 Sec. 23 | SCBU (Claiborne) | Rockcliff & Chevron | Rockcliff |
| N2SW4 & SESW Sec. 23 | South Culebra Bluff | Rockcliff & Chevron | Rockcliff |
| S2SE4 Sec. 23 | SCBU (Williams) | Rockcliff & Chevron | Rockcliff |
| W2NW4 Sec. 24 | SCBU (Carrasco) | Rockcliff & Chevron | Rockcliff |
| W2SW4 Sec. 24 | SCBU (Claiborne) | Chevron, Kerr-McGee, Featherstone | Rockcliff & Kaiser- Francis |



ROCKCLIFF OPERATING NEW MEXICO LLC SOUTH CULEBRA BLUFF UNIT 1 1980' FNL & 1650' FEL SEC. 23, T. 23 S., R.28 E. EDDY COUNTY, NM

30-015-22320

VI. One well (30-015-22404) within $\frac{1}{2}$ mile penetrated the Atoka (top = 11660'). The 13213' deep well unsuccessfully tested the Morrow. It was then plugged back and produced from the Atoka from 1978-1990. It has now been plugged back a second time and produces from the Brushy Canyon.

- VII. 1. Average injection rate will be ≈10000 bwpd. Maximum injection rate will be 20000 bwpd.
 - 2. System will be open and closed. Some water will be trucked and some will be piped.
 - Average injection pressure will be ≈2000 psi.
 Maximum will be 2350 psi (= 0.2 psi/foot x 11750' (top of open hole)).
 - 4. Main source of disposal water will be water produced from the Brushy Canyon, Bone Spring, and Wolfcamp. However, water produced from other Permian Basin zones (e. g., Avalon, Atoka, Morrow) could also be disposed. There are no known compatibility issues. Go-Tech analyses from a half dozen formations in 23s-28e and 23s-29e are in Exhibit G.
 - 5. Two Atoka water samples (Exhibit G) were collected at a well (30-015-22686) 5298' southeast. TDS ranged from 217,050 to 236,539 mg/L. Chlorides ranged from 128,000 mg/L to 138,000 mg/L.

VIII. The Atoka (\geq 219' thick) is composed of limestone, shale and sandstone. Main focus will be the Upper Atoka C. It is 26' thick sandstone with an average density porosity of 14% (LS scale). More details on the geology are in Exhibit H. Closest possible underground source of drinking water above the proposed disposal interval are the several hundred feet thick red beds near the surface. Deepest water well within a 2-mile radius is 360'. No underground source of drinking water is below the proposed disposal zone.

Five different Atoka top depths are in NMOCD files. Rockcliff Senior Geologist Dan Block calculates Atoka top is 11660'. See exhibit I for his conclusion. Estimated formation tops are:



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Quaternary = 0' Red bed = 300'Anhydrite = 672'Delaware sand = 2650'Delaware Mt. Group = 2705'Bone Spring = 6224'Wolfcamp = 9558'Penn = 11052'Canyon 11195'Strawn = 11427'Atoka = 11660'Proposed disposal interval = 11750' - 11879'Current TD & Proposed = 11789'

State Engineer records (Exhibit J) show 16 water wells within a 1-mile radius. There will be >2-miles of vertical separation, including multiple layers of salt, anhydrite, and shale between the bottom of the only likely underground water source (red beds) and the top of the Atoka.

IX. The well will be stimulated with \approx 2800 gallons 15% HCl if needed.

X. Computer processed, dual laterolog/micro laterolog/GR, compensated Zdensilog/compensated neutron/GR, borehole compensated sonic, and CBL logs were run and are on file with NMOCD.

XI. State Engineer records indicate 16 water wells are within a mile radius. Samples were collected from 2 water wells within a half-mile in March 2017. Their analyses are in Exhibit K.



ROCKCLIFF OPERATING NEW MEXICO LLC SOUTH CULEBRA BLUFF UNIT 1 1980' FNL & 1650' FEL SEC. 23, T. 23 S., R.28 E. EDDY COUNTY, NM

30-015-22320

XII. Closest Quaternary fault (Guadalupe) is ≈ 56 miles southwest (Exhibit L). Rockcliff Operating New Mexico LLC is not aware of any geologic or engineering data that may indicate the Atoka is in hydrologic connection with any underground sources of water. Hundreds of feet of evaporites and shale prevent that from occurring. Deepest water well within a 2-mile radius is 360' (Exhibit J). There are 14 active Atoka injection wells in New Mexico.

XIII. A legal ad (see Exhibit M) was published on May 13, 2017. Notice (this application) has been sent (Exhibit N) to the surface owners (Johnny & Jackie Reid), working interest owners (Chevron, Cottonwood, Featherstone, Kerr-McGee, Rash), and non-Rockcliff operators (Chevron and Kaiser-Francis) within a half-mile.





MEXICO OIL CONSERVATION COMMIS N

| perareir Lease | Welthin |
|--|--|
| Louisa | Welt He |
| Amoco Production Company | 1 |
| G 23 22 South Range L'ounty | |
| Actual Footage Location of Well; | Eddy |
| 1980 test from the North 1650 | E |
| Grount : gvel Elev. Producing Formation Pool | East line |
| 2995.5 MORROW WILDCAT | Dedicated Artesper |
| 1. Outline the acreage dedicated to the subject well by colored pencil or hachure | marks on the plat below. |
| 2. If more than one lease is dedicated to the well, outline each and identify the c interest and royalty). | ownership thereof (both as to working |
| 3. If more than one lease of different ownership is dedicated to the well, have the iduted by communitization, unitization, force-pooling.etc? Approco Sware 100 | nterests of all owners been consoli- to of all learer. |
| If answer is "no?" list the owners and tract descriptions which have actually been this form if necessary.) | n consolidated. (Use reverse side of ed (by communitization, unitization, a, has been approved by the Commis- |
| 1 | |
| JOHNWY L. + B | t hereby certify that the information con- tained herein is true and complete to the best of my knowledge and belief |
| WORKING INTEREST OWNERSHIP AMOLD - 100% | STAFE ASSISTANT (S.G) AMOLO PRODUCTION CO. |
| | 10-17-77 |
| ROYALTY OWNERSHIP ANOLO | I hereby certily that the well location shown on this plat was plotted from field notes of actual surveys mude by me ar under my supervision, and that the sume is true and correct to the best of my knowledge and belief. |
| ROXIE WILLIAMS S. F. WILLIAMS | Date Surveyed September 26, 1977 Heylstere : Fritesstond and writed Survey of EXHIBIT A Certific The file E76 |

Ibre C-102

| | | | | \bigcirc | | | \bigcirc | | | | | |
|--|---|---------------------------------|------------------------------------|--------------------------|---|---------------------|---|----------------|-------|------|--------|--|
| District I 1625 N French Dr., H Phone: (575) 393-6161 District II 811 S. First St., Artesia Phone: (575) 748-1283 District III 1000 Rio Brazos Roud | obbs. NM 8824 Fax: (575) 39 a, NM 88210 3 Fax: (575) 748 Aztec. NM 87 | 10 13-0720 8-9720 1410 | Energ | gy, Mine OIL C(12 | State of Ne rals & Natu ONSERVA 20 South S | Sut | Form C-10 Revised August 1, 201 Submit one copy to appropriat District Offic | | | | | |
| Phone: (505) 334-617 <u>District IV</u> 1220 S. St. Francis Dr. Phone: (505) 476-3466 | 8 Fax: (505) 334 . Santa Fe, NM 0 Fax: (505) 476 | 4-6170 187505 5-3462 | ELL LC | CATIO | Santa Fe, NM 87505 X AMENDED (change from ATION AND ACREAGE DEDICATION PLAT Devonian S | | | | | | | |
| 1 | 30-015 | 5-22320 | | 9616 | 69 | ' SWD; Atoka | | | | | | |
| 3161 | 60 | | | | | 6 | | | | | | |
| 371 | 115 | | Rockcliff Operating New Mexico LLC | | | | | | 2995' | | | |
| <u></u> | | | | | " Surface | e Location | | | | | | |
| G | 23 | 23 S | 28 E | Lot Idn | 1980 | North | 1650 | E | ast | Eddy | County | |
| ····· | • | | " Bo | ttom Ho | le Location | If Different From | m Surface | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from t | he North/South line | Feet from the | East/West line | | | County | |
| ¹² Dedicated Acres ¹³ Joint or Infill | | | Consolidation | Code ¹⁵ Or | der No. | - <u>_</u> | L | | | I | | |

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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| 16 | | | "OPERATOR CERTIFICATION |
|----|-------|---------|---|
| | | | I hereby certify that the information contained herein is true and complete |
| | | 1 | to the best of my knowledge and belief, and that this organization either |
| | | | owns a working interest or unleased innieral interest in the land including |
| | | | the proposed bottom hole location or has a right to drill this well at this |
| | 1980' | | location purstant to a contract with an owner of such a mineral or working |
| | 1 | | interest, or to a valuatory pooling agreement or a compulsory pooling |
| | | | order heretagare entereighy thedivision |
| | | | 7 (15-13-17 |
| | | | |
| | | | Brian Wood |
| | | | Bridit WOOd |
| | | - 1650" | Printed Name |
| | | | brian@permitswest.com |
| | | | E-mail Address |
| | | | (505) 466-8120 |
| | | | "SURVEYOR CERTIFICATION |
| | | | I hereby certify that the well location shown on this |
| | | | plat was plotted from field notes of actual surveys |
| | | | made by me or under prisupervision and that the |
| | | | made by me of which my supervision, and men me |
| | | | same is true and correct to the best of my belief. |
| | | | 9-26-77 |
| | | | Date of Survey |
| | | | Signature and Seal of Professional Surveyor: |
| | | | |
| | | | Original survey by |
| | | | John West |
| | | | attached |
| | | | |
| | | | Certificate Number |
| | | | |



SCB #1B SWD: Convert Well to Injection in the Atoka Formation

Note: Ensure well is secured prior to SDFN.

Day 1: MIRU. Unseat pump, POOH, and lay down pump and rods.

Day 2: ND WH and NU BOP. Unseat tubing anchor. POOH laying down 2 7/8" tubing.

Day 3: Run in hole with bit and scraper on 2 7/8" PH6 work string. Begin reverse circulation at 8,744' and clean through perforations to CIBP at 9,480'. Scraper should be positioned to remain above perforations at TD. POOH. Pick up RTTS and RIH to 3000'.

Day 4: Continue RIH with RTTS to 8,700'. Set RTTS and test tubing by casing annulus to 600 psi for 30 minutes. Release RTTS and POOH. RIH open ended to 3000'.

Day 5: RIH open ended and tag top of CIBP at 9,480'. Pick up 5'. Rig up cementers and pump balanced plug with 38 bbls of 16.4ppg cement. Pull above cement plug to 8,300'. Reverse circulate two BU to ensure annulus is clear of cement. Shut well in and begin hesitation squeeze to achieve 700 psi final pressure. Shut in well with final pressure and WOC.

Day 6: WOC.

Day 7: POOH. Pick up bit. RIH and drill cement to bottom of perforations. Test squeezed perforations to 600psi for 30 min. Drill cement and CIBP. CBU. RIH to top of fish, tagging to verify depth. Begin POOH.

Day 8: Finish POOH. Pick up wide catch overshot, spiral grapple, and packoff assembly with fishing jars. RIH and catch top of 2 7/8" tubing. Pump into fish to establish communication through tubing. Rig up wireline. RIH with 2 1/8" gage ring assembly to top of packer at approximately 11,720'. POOH. RIH with 2 1/8" chemical cutter to top of packer. Make cut. RD wireline. Pick up to ensure fish is free.

Day 9: POOH and LD 2 7/8" tubing fish. Pick up fixed blade packer mill. If not able to make cut past F nipple, ensure spear will pass 2 1/4", or is carbide dressed. RIH to top of packer.

Day 10: Begin milling operations. Mill through packer slips. POOH to retrieve packer,

Day 12: TIH 6 1/8" bit and scraper to 7" shoe at 11,745'. POOH and LD bit and scraper.

Day 13: Rig up wireline. Make a 6 1/8" gage ring run to 11,700'. POOH. Pick up RTTS. TIH to 11,700'. Test casing to 600psi for 30min. POOH and LD RTTS.

Day 14: TIH with 6" steel tooth bit and BHA. Clean out open hole down to 11,876', with reverse circulation if necessary. Spot 2800 gallons of 15% HCL at 11,876'. Pull 120' above top of acid pill. Shut in well and establish injection rate down kill line up to 500psi. Repeat acid treatment if necessary. Open well. Begin POOH.

Day 15: Continue POOH to LD bit and motor. Make up Arrowset 1X packer and on-off tool on 3 ½ EUE internally coated tubing. RIH at 60 fpm to land packer at 11,700' MD. Set packer. ND BOP and install wellhead assembly. Release rig.

Day 16: Turn well over to production for MIT.





| API | OPERATOR | WELL | TYPE | UNIT- SECTION | TVD | ZONE | FEET FROM SCBU 1 |
|------------|-----------|---------------------------------|------|------------------|-------|-----------------------------|---------------------|
| 3001522700 | Rockcliff | South Culebra Bluff Unit 003 | 0 | G-23 | 8000 | Loving; Brushy Canyon; E | 310 |
| 3001533783 | Rockcliff | South Culebra Bluff 23 015 | I | H-23 | 6424 | Loving; Brushy Canyon; E | 748 |
| 3001535514 | Rockcliff | South Culebra Bluff 23 021 | 1 | I- <u>2</u> 3 | 6329 | Loving; Brushy Canyon; E | 941 |
| 3001535513 | Rockcliff | South Culebra Bluff 23 020 | 1 | J-23 | 6350 | Loving; Brushy Canyon; E | 1191 |
| 3001535512 | Rockcliff | South Culebra Bluff 23 019 | 1 | F-23 | 6400 | Loving; Brushy Canyon; E | 1229 |
| 3001526368 | Rockcliff | South Culebra Bluff 23 012 | 0 | H-23 | 6350 | Loving; Brushy Canyon; E | 1265 |
| 3001522404 | Rockcliff | Donaldson Com A 001 | 0 | F-23 | 13213 | Loving; Brushy Canyon; E | 1349 |
| 3001526348 | Rockcliff | South Culebra Bluff 23 007 | 0 | J-23 | 6300 | Loving; Brushy Canyon; E | 1395 |
| 3001526346 | Rockcliff | South Culebra Bluff 23 011 | 0 | B-23 | 6300 | Loving; Brushy Canyon; E | 1404 |
| 3001522931 | Rockcliff | South Culebra Bluff Unit 004 | 0 | A-23 | 9802 | Loving; Brushy Canyon; E | 1723 |
| 3001526295 | Rockcliff | South Culebra Bluff 23 006 | 0 | C-23 | 6300 | Loving; Brushy Canyon; E | 1964 |
| 3001530164 | Rockcliff | South Culebra Bluff 23 013 | 0 | F-23 | 6350 | Loving; Brushy Canyon; E | 2028 |
| 3001533605 | Rockcliff | South Culebra Bluff 23 008 | 0 | I-23 | 6424 | Loving; Brushy Canyon; E | 2140 |
| 3001525841 | Rockcliff | South Culebra Bluff 23 001 | 0 | K-23 | 6560 | Loving; Brushy Canyon; E | 2263 |
| 3001523339 | Rockcliff | South Culebra Bluff Unit 006 | 0 | E-24 | 9506 | Loving; Brushy Canyon; E | 2321 |
| 3001535510 | Rockcliff | South Culebra Bluff 23 017 | I | K-23 | 6350 | Loving; Brushy Canyon; E | 2370 |
| 3001533608 | Rockcliff | Candelario 24 002 | 0 | D-24 | 6400 | Loving; Brushy Canyon; E | 2596 |
| 3001535511 | Rockcliff | South Culebra Bluff 23 018 | I | E-23 | 6470 | Loving; Brushy Canyon; E | 2654 |

WELLS WITHIN (2640') OR NEAR AREA OF REVIEW







| api | section | township | range | formation | tds maL | sodium | calcium | iron | Mg | chloride | HCO3 | sulfate |
|------------|---------|----------|-------|----------------------------|---------|---------------|----------------|-------------|-----------|-----------------|-------------|----------------|
| 2001522686 | 75 | 220 | | ATOKA | 217050 | mgL | mgL | mgL | mgL | mgL | mgL | mgL |
| 2001522080 | 25 | 235 | 285 | ATOKA | 21/050 | | | | | 128000 | 1030 | 3300 |
| 5001522080 | 25 | 235 | 285 | ATUKA | 230539 | | ···· | | | 138000 | 2370 | 3950 |
| 3001538059 | 16 | 235 | 29E | UPPER | 154164 | 54960 | 798 | 35 | 203 | 92021 | 3660 | 0 |
| 3001538059 | 16 | 235 | 29E | AVALON UPPER | 154965 | 58687 | 719 | 54 | 131 | 91118 | 1671 | 1502 |
| 3001503691 | 24 | 235 | 29E | BONE SPRING | 271010 | | | | | 168800 | 130 | 100 |
| 3001541150 | 16 | 235 | 29E | BONE SPRING 1ST SAND | 146425 | 55118 | 1445 | 11 | 313 | 84786 | 2660 | 0 |
| 3001541148 | 16 | 235 | 29E | BONE SPRING 1ST SAND | 152943 | 54184 | 1409 | 16 | 275 | 92807 | 2306 | 0 |
| 3001541149 | 16 | 235 | 29E | BONE SPRING 1ST SAND | 153042 | 53896 | 1294 | 0 | 273 | 92918 | 2708 | 0 |
| 3001540038 | 16 | 235 | 29E | BONE SPRING 1ST SAND | 153751 | 57591 | 1198 | 10 | 244 | 91697 | 952 | 755 |
| 3001522595 | 5 | 235 | 28E | DELAWARE | 133440 | | | | | 80500 | 303 | 2100 |
| 3001524589 | 21 | 235 | 28E | DELAWARE | 202807 | 60819 | 20578 | 3 | 4029 | 143136 | 39 | 214 |
| 3001527173 | 34 | 235 | 28E | BRUSHY CANYON | 101919 | 34645 | 5773 | 33 | 1198 | 67290 | 41 | 229 |
| 3001535073 | 22 | 235 | 29E | BRUSHY CANYON | 108093 | 72995 | 26487 | 284 | 4547 | | | |
| 3001526293 | 14 | 235 | 28E | BRUSHY CANYON | 203960 | 69638 | 23562 | 77 | | 148750 | 537 | 149 |
| 3001526891 | .3 | 235 | 28E | BRUSHY CANYON | 228167 | 81632 | 23470 | 36 | | 167300 | 73 | 149 |
| api | section | township | range | formation | tds mgL | sodium mgL | calcium mgL | iron mgL | Mg mgL | chloride mgL | HCO3 mgL | sulfate mgL |

EXHIBIT G

| 3001526540 | 11 | 235 | 28E | BRUSHY CANYON | 244866 | 91561 | 21510 | 102 | | 179250 | 73 | 120 |
|------------|---------|----------|-------|------------------|---------------|---------------|----------------|-------------|-----------|-----------------|-------------|----------------|
| 3001527173 | 34 | 235 | 28E | BRUSHY CANYON | 255443 | 113016 | 2128 | 592 | 302 | 179189 | 913 | 1477 |
| 3001536078 | 16 | 235 | 29E | BRUSHY CANYON | 273399 | 77650 | 20696 | 44 | 3301 | 168200 | 85 | 454 |
| 3001537371 | 22 | 235 | 29E | BRUSHY CANYON | 279275 | 78992 | 21728 | 25 | 3407 | 172189 | 183 | 177 |
| 3001526527 | 11 | 235 | 28E | BRUSHY CANYON | 283902 | 77440 | 39540 | 37 | 6397 | 211161 | 73 | 243 |
| 3001536738 | 22 | 235 | 29E | BRUSHY CANYON | 288731 | 69567 | 31996 | 59 | 4781 | 179021 | 122 | 0 |
| 3001536738 | 22 | 235 | 29E | BRUSHY CANYON | 292239 | 69172 | 31472 | 52 | 4557 | 183597 | 122 | 0 |
| 3001536461 | 22 | 235 | 29E | BRUSHY CANYON | 292358 | 68893 | 31112 | 55 | 4509 | 184250 | 244 | 0 |
| 3001536738 | 22 | 235 | 29E | BRUSHY CANYON | 294876 | 71940 | 32645 | 53 | 4970 | 181883 | 61 | 0 |
| 3001540827 | 31 | 235 | 29E | BRUSHY CANYON | 295110 | 76800 | 28512 | 60 | 4245 | 181795 | 73 | 0 |
| 3001541963 | 31 | 235 | 29E | BRUSHY CANYON | 296788 | 80278 | 29889 | 65 | 4475 | 178388 | 73 | 0 |
| 3001526527 | 11 | 235 | 28E | BRUSHY CANYON | 297557 | 90602 | 35089 | 63 | 4688 | 218632 | 50 | 619 |
| 3001536461 | 22 | 235 | 29E | BRUSHY CANYON | 297620 | 71507 | 31763 | 61 | 4691 | 186000 | 188 | 0 |
| 3001540826 | 31 | 235 | 29E | BRUSHY CANYON | 297841 | 79092 | 29745 | 70 | 4417 | 180802 | 85 | 0 |
| 3001536078 | 16 | -235 | 29E | BRUSHY CANYON | <u>298475</u> | 74542 | 32308 | 52 | 4723 | 182394 | 25 | 3 |
| 3001536461 | 22 | 235 | 29E | BRUSHY CANYON | 302545 | 72865 | 32249 | 56 | 4837 | 188800 | 37 | 0 |
| арі | section | township | range | formation | tds mgL | sodium mgL | calcium mgL | iron mgL | Mg mgL | chloride mgL | HCO3 mgL | sulfate mgL |
| 3001536078 | 16 | 235 | 29E | BRUSHY CANYON | 303155 | 76908 | 33274 | 62 | 4821 | 183875 | 610 | 0 |

EXHIBIT G

| 1 | | | | | | | | | | | | |
|------------|----|-----|-----|------------------|--------|-------|-------|------|------|--------|------|------|
| 3001535073 | 22 | 235 | 29E | BRUSHY CANYON | 303550 | 80233 | 27451 | 49 | 4197 | 187467 | 104 | 331 |
| 3001526496 | 11 | 235 | 28E | BRUSHY CANYON | 307701 | 96917 | 34318 | 47 | 5393 | 228593 | 26 | 505 |
| 3001503691 | 24 | 235 | 29E | DEVONIAN | 56922 | | | | | 29000 | 1740 | 4980 |
| 3001503691 | 24 | 235 | 29E | DEVONIAN | 64582 | | | | | 37500 | 610 | 1700 |
| 3001522886 | 8 | 235 | 28E | MORROW | 6804 | 2064 | 329 | 154 | 39 | 3939 | 56 | 209 |
| 3001522886 | 8 | 235 | 28E | MORROW | 7360 | 1292 | 422 | 1059 | 56 | 4158 | 304 | 8 |
| 3001522886 | 8 | 235 | 28E | MORROW | 27040 | 8664 | 1173 | 553 | 129 | 16624 | 40 | 147 |
| 3001522553 | 17 | 235 | 29E | MORROW | 62523 | | | | | 37600 | 142 | 810 |
| 3001522677 | 22 | 235 | 28E | MORROW | 278468 | | | | | 166000 | 78 | 3400 |

EXHIBIT G

3

Rockcliff Energy is requesting the right to dispose produced water from various Wolfcamp and Bone Spring formations into the Atoka Formation by converting South Culebra Bluff #1 (SCB #1) to a non-commercial disposal well. The SCB #1 was originally drilled and completed in the Atoka Fm in December 1977 and produced 15.03 Bcf of gas from January 1978 through November 2005 (see graph below).



This well has produced less than 2,000 bbls of water, showing that the productive interval is "gas-wet" and should allow for 80-85% recovery factors against the original gas in place (OGIP). The main target of the open hole completion is the informally named Upper Atoka "C" sand which is 26 feet thick with an average density porosity of 14% (LS scale). While the open hole perforations extend into the Lower Atoka, covering a total of 129 ft, no other interval is considered productive as porosity below the "C" sand does not exceed 8% (see orange highlights in the log below). The Atoka Fm is being considered for saltwater disposal as the overlying Strawn and Wolfcamp formations are both prospective for hydrocarbons in this area.



The Upper Atoka "C" Sand maps as a channel deposited from north to south along a SSE trend through township 23S-28E (see "C" Sand Gross Isopach and Net Porosity Isopach maps below). As many as 14 wells, including the SCB #1, have perforations in the "C" Sand, though seven of those are commingled with other Atoka sands ("A", "B" or "D").



Upon examination, the five nearest Atoka wells within the channel appear to have effectively drained the reservoir around SCB #1 (see Volumetrics discussion below). Having been completed a full year prior to the second well in the channel, the SCB #1 produced over two times the amount of gas than the Pardue Farms '26' #1, which is in similar rock and only 1.2 miles away. Follow up wells extending the South Culebra Bluff Field to the northwest and south similarly produced less gas (See Table 1 below). One well, the Nymeyer #1 looks to be continuing production on a periodic, monthly basis, averaging less than 2 Mcf/d since 2004 (see Table 2 below). This, coupled with the lower overall cumulative gas captured from the nearby wells, convinces Rockcliff that the reservoir has been depleted.

| Well Name | Producing Zone | On Prod Date | Cum Gas (Bcf) | Last Month Prod | Distance from SCB #1 |
|----------------------|----------------|-----------------|------------------|--------------------|-------------------------|
| SCB #1 | "C" | Jan-78 | 15.0 | Nov-17 | n/a |
| Pardue Farms '26' #1 | "C" | Jan-79 | 7.1 | May-17 | 1.2 mi |
| YARBRO 'A' COM #1 | "8" & "C" | May-84 | 0.7 | Dec-94 | 1.3 mi |
| Nymeyer #1 | "C" | Nov-81 | 5.1 | 0.3 Mcf/d | 1.6 mi |
| Williams 35 Com #1 | "C" | Mar-79 | 4.2 | Oct-95 | 1.8 mi |

Table 1

| Ta | ble | e 2 |
|----|-----|-----|
|----|-----|-----|

| | | ١ | Wsn:12968 WE | LL: 30-015-236 | View | | | | | | | | |
|---|--|---|---|---|---|---|---|---|---|---|---|--|--|
| ₹ | Summer | y Apt 🛛 🖁 | Print Table | | ? | Help | 🗸 Close | | Use Last View Use Delault View | Sa V | ive Detault View | | |
| Corwal (8 GAS - Produced Ges (MCF) GAS Bight Click Mouse for Additional Cohors | | | Col Wd 80 | | ≖NULL .ctive Only :olumn View | C Locked マドロののの F Show Prior | r Cum | Start Year 1977 | | Display Data Range Display Custom Range | | | |
| TY | ear | JAN | FEB | MAR | APR | MAY | | .8.0 | AUG | SEP | OCT : | NOV | nec |
| | 978 979 980 981 981 981 985 985 986 986 988 988 988 999 993 993 993 993 993 993 | 94592 72400 81013 51420 41775 14556 14144 17556 14185 14185 3346 5739 5473 5151 5173 55739 5473 5153 5523 66335 56889 5113 | 84474 16147 13553 76336 43867 17403 186611 25396 16169 12099 10611 2159 5365 4112 6334 6333 5319 4928 4799 8 | 90368 21089 4581 51446 27499 29356 12479 16515 26101 17244 12099 10795 2557 5401 4155 3969 7281 6126 5012 5022 | 72531 55592 110373 67918 25384 15782 23999 15300 11855 1502 11904 2818 5875 3868 3246 7167 5949 6555 4771 | 67477 94453 53639 51001 47560 27959 16563 23237 14801 13318 10641 1943 5058 5545 4898 5545 4898 5545 6066 6180 7469 | 44061 47175 70948 49945 21397 26854 17497 19923 16873 10233 16873 12313 9913 4673 5764 4494 45833 5611 6489 | 71258 48906 86306 71284 404 16665 20734 20077 17217 17217 17217 17217 17217 3348 3505 3505 3515 3974 3348 3505 3575 3974 3348 6024 | 73962 42220 79213 66105 23612 21424 19556 18373 16705 10276 6335 6736 3447 3447 3447 3447 3710 5829 5710 3955 393 | 52371 21195 92792 53085 20771 18026 18026 18026 18026 7526 7527 5848 3663 4463 5734 5734 5734 5734 | 2451 50726 91188 58243 43085 19983 18766 19436 13615 11265 6998 7108 6904 2891 4743 8005 6177 5639 44 | 94171 30191 30127 89734 31741 6382 18355 1760 18179 16962 15233 11526 3297 6665 6043 4424 2109 7974 6031 5576 | 102446 67183 69072 91663 55965 17544 1560 19138 17674 13492 11547 13492 13492 13492 13492 13492 13492 13492 5787 5321 4796 1911 6585 5539 |
| 222 | 004 005 005 | 2 10 6 | 8 5 12 | 4 5 7 | 7 9 | 5 | 7 5 | 25 | 8 | 5 | 4 | 11 6 | 5 8 7 |
| | 007 008 009 010 011 012 013 014 015 015 016 017 | 61 70 86 22 7 20 3 9 | 28 8 7 35 11 11 6 8 20 14 | 9 22 10 3 5 23 15 17 | 11 11 35 17 7 8 6 7 21 26 | 14 8 46 11 7 8 1 6 16 24 | 15 9 10 12 13 8 1 14 15 16 | 14 9 7 6 11 9 4 10 11 5 | 9 9 8 8 7 7 7 15 30 35 | 11 10 7 8 7 5 6 17 8 10 | 12 9 10 7 10 7 5 10 12 13 | 11 6 8 8 27 7 17 19 | 7 3 5 9 2 11 17 17 23 |
| 6 | Imperial | Metric | | Show Total | 5,146,83 | 6.000 | | r | Save | Template. | Load Te | mptate | |

Volumetrics

Reservoir volumes were calculated for two distinct areas within the channel. The Blue dashed polygon on the Net Porosity Isopach map above is restricted to a two mile radius inside the 5 foot contour and captures the five nearest Atoka producers discussed above. The second area equates to 640 acres within the channel immediately surrounding the SCB #1. The former is used to show how effectively the five aforementioned wells have drained the reservoir, while the latter is used to consider how much water can be safely injected into the SCB #1 well. Volumetrics were calculated according to the following equation:

Volume = C * A * H * PHIA * (1-Sw) / Bgi

Where:

- C = Gas Conversion Constant (43560)
- A = Blue or Red dashed polygons (2,300 ac & 640 ac respectively)
- H = Net Porosity Grid
- PHIA = Average Porosity Grid
- Sw = 20% (industry standard)
- Bgi = 0.0027 (inputs obtained from 02/01/78 SCB #1 Gas Well Reserve Data provided below)

4 14104607 oz. (* 20

| J CULEBPA PLUFF | FILE: | CULF1 |
|-------------------|---------------|---------|
| ATOLAY MILDEAT | (941E: | 01.73 |
| EDDY, HEN MEY LOD | 11mE = | 14:0初月1 |
| DELTA DELG. D | ₽₽0J : | 1 |

GAL NELL RECERVE DATA

OFFICED FROM PRODUCTING HISTORY

| 1- 3-78 | ŝ, | Ú, | Û. | 8957. | | |
|---------|------|-----------------|-------|-------|-------|------------|
| 1-26-78 | 221. | 450 <u>00</u> . | 1030 | 0. | Ŭ, | τ. |
| 1-27-78 | 620. | 42200. | 1123. | 学会4台。 | 2597. | يتو بر الم |
| | | | | | | |

Défiliquée averaile Fabluí adit-t---

ETERDY-ITATE PEPIOD:

| тіме ИО-ли-се | EIP Fil | GAS RATE (1-10 | CUM. 683 MMF | AVG. BHP PJI | EH6.2 F:1 | (MLC SIF MOF |
|------------------|------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| 1-28-78 | 613L | 41500. | 1164. | ÷121. | 반옥사로. | 100000 |
| 1-23-78 | 616. | 味りらいり。 | 1£0%. | 8002. | n405. | 11244. |
| 2- 1-78 | ÷ | 4 çû ŋ û . | 1327. | 7970. | 2 나 나 같. | 14045. |

EFFECTIVE REGERVE DATA:

| INPUT ACPE: INITIAL BAP TAPUT POPOSITION PCT GAS GRAVITY INITIAL 2 FACTOP INITIAL VIECOSITY | 480. 2452. 13.0 0.573 1.315 0.038 | ACREAGE UIEI Initial Par Died Water Int., rot. Bat, degrees r. Vat, degrees r. | 4 2년, 2년원고, 2년, 1년 1 4일, 고려, | 450 • 15 Z |
|--|--|--|--|---------------|
| INDUT NET FAL FT | 15.0 | INFOI GIP, MAR | 10011. | |
| (DARUTED NET FAL | 12.7 | JOMPOIED GIP, MAR | 4044. | |

COMPUTED PERM., MDC 9.393

• EITIMATED

♦ OUESTIONHELE

РЕАПИ Вуд 9004%.24 СБ.: 906н. 1 ТСМ - 0011.80 - 0

林長 白竹 14:P30 1 自論 点1 (19) マ Results of the volumetric analysis indicate there is 32.1 Bcf of storage capacity within the blue polygon. Coincidentally, this is equivalent to the 32.1 Bcf that has been produced from the discussed wells. Given that an 80-85% recovery factor is more likely than 100 percent, we must assume that gas is coming from a larger drainage area than the blue polygon: either from a) less than 5 net porosity feet, b) further NW or SE along the channel, or c) commingled from the "B" Sand. Given that only one of the five wells is commingled with the "B" Sand, and it produced the least amount of gas, it is more likely that the blue polygon does not capture the full drainage radius of the productive wells. Regardless of what the exact size and shape of this drainage radius should be, it is safe to assume that the Atoka "C" sand in the area of the SCB #1 has been effectively drained.

Using the same volumetric inputs, an arbitrary 640 acres surrounding the SCB #1 (red outline on the Net Porosity map above) calculates to have capacity for 8.4 Bcf of gas. When considering this void space for water disposal, the volume converts to 4.1 MMBbls of fluid. This application includes a 24 month water production forecast for Rockcliff's initial four well development in the area. Even if we assume water rates remain flat from month 24 onward, it would take 6 years to fill just this 640 ac area with 4.1 MMBbls of water. For consideration, the volume within the blue polygon, that could hold 15.5 MMBbls of water, could support an additional 16 well development program.

Geologic Formation Tops Reconciliation (NMOCD Folder vs. This Application)

The NMOCD has two Well Completion reports on file for the SCB #1; the new well completion report received March 6, 1978 and a work over report received November 1, 1978. These reports contain conflicting geologic tops for the Atoka Fm, each of which are different from RCE tops relevant to this application. Of interest there is also a cover page of sorts which has additional tops hand written under a headline entitled "NC tops per UB". Below is an explanation and reconciliation of these tops, referencing two versions of a cross-section between the SCB#2 and SCB#1 (1978 and 2017).

| COVER | PAGE | |
|---------|------------------|---|
| NMOCD | Report | RCE Tops |
| Penn | - 11052 | Agree |
| Strawn | - 11193 | Cisco/Canyon (Some geologists recognize a geologically variable limey shale between the base of the Penn Shale and the top of Strawn) |
| Atoka | - 11427 | Strawn |
| March F | Report, pg.2 | |
| NMOCD | Report | RCE Top |
| Atoka | - 11754 | This depth is four feet into the producing Atoka sand and does not represent the Top of Atoka |
| Novemb | per Report, pg.1 | |
| NMOCD | Report | RCE Top |
| Atoka | - 11750-11879 | This is the open hole perfinterval. 11750 is Top of productive sand, but not the top of Atoka |
| Novemb | per Report, pg.2 | |
| NMOCD | Report | RCE Top |
| Atoka | - 11480 | I could see how someone might argue this since it marks the top of a sand/shale rich interval at the base of a clean carbonate (traditionally Strawn). However, based on regional correlations RCE sees this clastic package as being less contiguous and therefore less diagnostic of Atoka deposition. Rather, RCE picks the top of Atoka at 11660, below which is a more regionally correlative, low resistivity sand/shale package that contains the four productive Atoka sands discussed in Exhibit H above. |

1978 Cross Section



2017 Cross Section





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

| (A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.) | (R=POD has been replaced, O=orphaned, C=the file is closed) | | | | (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters) (In feet) | | | | | | | | | | | | |
|---|---|-------------|--------|----|--|---|-----|-----|-----|--------|------------|------------|-------------|-----------|------|--|--|
| | | POD Sub- | | Q | Q | Q | | | | | | | | м | ater | | |
| POD Number | Code | basin | County | 64 | 16 | 4 | Sec | Tws | Rng | X | Y | DistanceDe | othWellDept | hWater Co | lumn | | |
| <u>C_01102</u> | | С | ED | | 1 | 2 | 23 | 235 | 28E | 588901 | 3573672* | 410 | 100 | 12 | 88 | | |
| <u>C 00154</u> | | C | ED | 4 | 2 | ł | 23 | 23S | 28E | 588595 | 3573566* 🎧 | 504 | 196 | 38 | 158 | | |
| C_00154 CLW194067 | 0 | | ED | .3 | 2 | 1 | 23 | 235 | 28E | 588395 | 3573566* 🏹 | 677 | 150 | 65 | 85 | | |
| <u>C_01108</u> | | С | ED | 3 | 2 | I | 23 | 23S | 28E | 588395 | 3573566* 퉳 | 677 | 60 | 35 | 25 | | |
| <u>C 03146</u> | | С | ED | 1 | 1 | 3 | 24 | 235 | 28E | 589613 | 3572970* 🅁 | 678 | 82 | 36 | 46 | | |
| <u>C 00500</u> | | | ED | 4 | 3 | 1 | 24 | 235 | 28E | 589811 | 3573176* 🎲 | 810 | 130 | | | | |
| <u>C_00868</u> | | | ED | 4 | 3 | 1 | 24 | 23S | 28E | 589811 | 3573176* 🌍 | 810 | 190 | | | | |
| C 03965 POD5 | | CUB | ED | 4 | 1 | 1 | 24 | 23S | 28E | 589864 | 3573534 🏟 | 895 | 35 | 31 | 4 | | |
| C. 03965 POD4 | | CUB | ED | | ١ | 4 | 24 | 23S | 28E | 589918 | 3573381 🎧 | 917 | 40 | 31 | 9 | | |
| <u>C_00048</u> | | CUB | ED | 3 | 3 | 1 | 23 | 23S | 28E | 587997 | 3573160 🎧 | 1016 | 182 | 75 | 107 | | |
| <u>C 00048</u> | С | CUB | ED | 3 | 3 | I | 23 | 23S | 28E | 587997 | 3573160 🅁 | 1016 | 182 | 75 | 107 | | |
| <u>C. 01816</u> | | С | ED | 1 | 3 | ı | 23 | 23S | 28E | 587992 | 3573355* 🙀 | 1018 | 200 | 40 | 160 | | |
| <u>C_00869 S-2</u> | 0 | | ED | | 3 | 3 | 23 | 23S | 28E | 588097 | 3572444* 🎧 | 1232 | 150 | 58 | 92 | | |
| <u>C_00453</u> | | с | ED | 2 | 2 | 4 | 22 | 235 | 28E | 587790 | 3572945* 🍪 | 1260 | 65 | | | | |
| <u>C 00443</u> | | С | ED | 4 | 2 | 4 | 22 | 23S | 28E | 587790 | 3572745* 🎲 | 1327 | 171 | 160 | 11 | | |
| <u>C. 00094</u> | | С | ED | 3 | 4 | 2 | 22 | 23S | 28E | 587588 | 3573151* 🎲 | 1424 | 100 | 60 | 40 | | |
| <u>C 00094</u> | С | С | ED | 3 | 4 | 2 | 22 | 235 | 28E | 587588 | 3573151* 🌍 | 1424 | 100 | 60 | 40 | | |
| <u>C_00094 A</u> | с | с | ED | 3 | 4 | 2 | 22 | 235 | 28E | 587588 | 3573151* 🥁 | 1424 | 166 | 40 | 126 | | |
| <u>C_01217</u> | | | ED | 1 | I | 3 | 13 | 235 | 28E | 589606 | 3574593* 🏹 | 1447 | 87 | 50 | 37 | | |
| <u>C 00128</u> | | С | ED | 2 | 4 | 4 | 15 | 235 | 28E | 587783 | 3574162* 👸 | 1511 | 149 | | | | |
| <u>c 01122</u> 1610 m | neters | С | ED | t | 1 | l | 26 | 235 | 28E | 587999 | 3572138‡ 🏹 | 1519 | 175 | 30 | 145 | | |
| $c_{01215} = 1 \text{ mil}$ | e – | | ED | 4 | 2 | 3 | 13 | 235 | 28E | 590210 | 3574397* ॷ | 1645 | 104 | 15 | 89 | | |
| <u>C 01443</u> | | С | ED | | 2 | l | 25 | 238 | 28E | 590123 | 3572064* 豰 | 1646 | 50 | 27 | 23 | | |
| <u>C 01967</u> | | С | ED | | 2 | 3 | 13 | 235 | 28E | 590111 | 3574498* ॷ | 1647 | 264 | 200 | 64 | | |
| <u>C 02189</u> | | С | ED | 1 | 1 | 3 | 14 | 23S | 28E | 587985 | 3574572* 🥁 | 1651 | 48 | 29 | 19 | | |
| <u>C 02847</u> | | | ED | 2 | I | 4 | 22 | 23S | 28E | 587386 | 3572941* 🎲 | 1655 | 80 | | | | |
| <u>C_02849</u> | | | ED | 2 | ι | 4 | 22 | 235 | 28E | 587386 | 3572941* 🥁 | 1655 | 60 | | | | |
| <u>C 01214</u> | | | ED | I | 2 | 3 | 13 | 235 | 28E | 590010 | 3574597* 😜 | 1659 | 70 | 20 | 50 | | |

http://nmwrrs.ose.state.nm.us/nmwrrs/ReportProxy?queryData=%...A%22R%22%3A%22003220%22%2C%0A%22PLSSDiv%22%3A% EXHIBIT

Page 1 of 3

| 5/13/17, | 1:27 | РМ |
|----------|------|----|
| | | |

| C 01487 CLW201796 | 0 | | ED | | | 3 | 2 | 22 | 235 | 28E | 587284 | 3573247* 🌍 | 1723 | 90 | 30 | 60 |
|--------------------------|---|-----|----|---|-----|-----|---|----|-----|-----|---------|------------|------|-----|----|-----|
| <u>C 03460 POD1</u> | | С | ED | | 3 | ł | 2 | 14 | 235 | 28E | 588857 | 3575004 🏐 | 1735 | 100 | 38 | 62 |
| <u>C 00136 S</u> | | CUB | ED | | t | 1 | 2 | 25 | 235 | 28E | 590426 | 3572167* 🅁 | 1800 | 122 | 45 | 77 |
| <u>C_00094 AS</u> | С | С | ED | | I | 3 | 2 | 22 | 23S | 28E | 587183 | 3573346* 🏹 | 1825 | 165 | 40 | 125 |
| <u>C 03432 POD1</u> | | С | ED | | 1 | 2 | 2 | 27 | 235 | 28E | 587527 | 3572162 🅁 | 1851 | 115 | 75 | 40 |
| <u>C 00136</u> | | CUB | ED | | 3 | I | 2 | 25 | 23S | 28E | 590426 | 3571967* 鎭 | 1929 | 200 | 42 | 158 |
| <u>C_00136 CLW194026</u> | 0 | | ED | | 3 | I | 2 | 25 | 235 | 28E | 590426 | 3571967* | 1929 | 200 | 52 | 148 |
| C_00136 CLW235233 | 0 | | ED | | 3 | Ì | 2 | 25 | 23S | 28E | 590426 | 3571967* 🍒 | 1929 | 200 | 42 | 158 |
| <u>C_00269</u> | | С | ED | 4 | 4 | 4 | 2 | 15 | 235 | 28E | 587778 | 3574773* 🎧 | 1937 | 240 | 35 | 205 |
| <u>C_00269_CLW199753</u> | 0 | | ED | 4 | 4 | 4 | 2 | 15 | 235 | 28E | 587778 | 3574773* 🎧 | 1937 | 240 | 35 | 205 |
| <u>(* 00616</u> | | | ED | | I | 3 | l | 14 | 235 | 28E | 587982 | 3574978* 🎧 | 1987 | 120 | 30 | 90 |
| <u>C_00869</u> | | | ED | | 3 | 3 | 4 | 22 | 23S | 28E | 587188 | 3572335* 🎧 | 2047 | 360 | | |
| <u>C 00321</u> | | С | ED | | | 4 | 2 | 15 | 23S | 28E | 587679 | 3574874* 🎲 | 2078 | 120 | | |
| <u>C 02503</u> | | Ċ | ED | | | 4 | 2 | 15 | 23S | 28E | 587.679 | 3574874* 🏐 | 2078 | 70 | 12 | 58 |
| <u>C 01216</u> | | | ED | 4 | 4 | 1 | 1 | 13 | 235 | 28E | 589801 | 3575205* 🎧 | 2086 | 60 | 45 | 15 |
| <u>C_00475</u> | | | ED | 2 | 2 | 1 | 3 | 25 | 23S | 28E | 589822 | 3571347* 🎲 | 2093 | 144 | 38 | 106 |
| <u>C_01872</u> | | С | ED | | | 2 | I | 22 | 23S | 28E | 586878 | 3573649* 資 | 2161 | 68 | 48 | 20 |
| <u>C_02796</u> | | | ED | | | 2 | 3 | 22 | 235 | 28E | 586882 | 3572838* 🎧 | 2169 | 200 | | |
| <u>C_03974 POD1</u> | | С | ED | 2 | 2 | 2 | 1 | 27 | 23S | 28E | 587087 | 3572220 🌄 | 2190 | 75 | 43 | 32 |
| <u>C_01487</u> | | | ED | | 3 | 4 | 1 | 22 | 23S | 28E | 586779 | 3573142* 🎧 | 2231 | 150 | 38 | 112 |
| <u>C 01870</u> | | С | ED | | | 4 | 3 | 22 | 23S | 28E | 586885 | 3572432* 🎧 | 2283 | 105 | 48 | 57 |
| <u>C 03469 POD2</u> | | С | ED | | }. | 4 | 3 | IJ | 23S | 28E | 588382 | 3575506 | 2317 | 48 | | |
| <u>C 00641</u> | | C | ED | 2 | 2 | 2 | l | 27 | 23S | 28E | 586986 | 3572126* 🌍 | 2324 | 115 | 40 | 75 |
| <u>C 03469 POD3</u> | | С | ED | 3 | 3. | 4 | 3 | 11 | 235 | 28E | 588381 | 3575538 🅁 | 2348 | 47 | | |
| <u>C 03469 POD1</u> | | С | ED | 3 | ; . | 4 : | 3 | 11 | 23S | 28E | 588374 | 3575538 🌍 | 2350 | 68 | 38 | 30 |
| C_03001 EXPLORE | | | ED | 1 | I | 1 | 4 | 25 | 23S | 28E | 590430 | 3571355* ॷ | 2389 | 140 | | |
| <u>C_00235</u> | | С | ED | | : | 2 | 2 | 15 | 23S | 28E | 587676 | 3575280* 🎧 | 2406 | 160 | | |
| <u>C_00024</u> | 0 | | ED | | | | 3 | 22 | 23S | 28E | 586682 | 3572629* 🎪 | 2413 | 242 | 48 | 194 |
| <u>C_01336</u> | | С | ED | 2 | 2 | I | I | 22 | 235 | 28E | 586572 | 3573744* 🥁 | 2479 | 190 | 30 | 160 |
| <u>C_02702</u> | | С | ED | | | : | 2 | 13 | 235 | 28E | 590715 | 3575108* 🎧 | 2505 | 38 | 20 | 18 |
| <u>C_00211</u> | | С | ED | 4 | 1 : | 3 : | 3 | 15 | 23S | 28E | 586570 | 3573949* 🎳 | 2528 | 89 | 48 | 41 |
| <u>C_02704</u> | | С | ED | | | | I | 19 | 23S | 29E | 591531 | 3573493* 🌍 | 2533 | 174 | | |
| <u>C_01253</u> | | | ED | 1 | | 3 | 1 | 22 | 235 | 28E | 586375 | 3573338* | 2632 | 179 | 50 | 129 |
| C_03535 POD1 | | С | ED | 4 | 13 | 3 : | 3 | 25 | 235 | 28E | 589860 | 3570751 🥋 | 2664 | 210 | 25 | 185 |
| <u>C 00340</u> | | С | ED | | l | Ι. | I | 27 | 235 | 28E | 586483 | 3572022* 🎧 | 2817 | 117 | 18 | 99 |
| <u>C_00315</u> | | С | ED | 3 | | 13 | 3 | 11 | 23S | 28E | 587973 | 3575995* | 2909 | 100 | 45 | 55 |
| | | | | | | | | | | | | | | | | |

http://nmwrrs.ose.state.nm.us/nmwrrs/ReportProxy?queryData=%...A%22R%22%3A%22003220%22%2C%0A%22PLSSDiv%22%3A%2

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| | | | | | | | | | | 1 0 | | | | |
|--|---|-------|-------------------|--------------|---------|------|-----|-----|--------|--------------|--------------|-----|----------|----|
| <u>C 01885</u> | С | ED | | 2 | 2 | 21 | 235 | 28E | 586070 | 3573640* 🥁 | 2959 | 104 | 35 | 69 |
| <u>C_00072</u> | CUB | ED | 3 | 3 | 1 | 15 | 235 | 28E | 586364 | 3574760* 🍈 | 3031 | 120 | 54 | 66 |
| <u>C 00327</u> | CUB | ED | 3 | 2 | 4 | 21 | 235 | 28E | 585974 | 3572728* ॷ | 3081 | 212 | | |
| C. 03762 POD3 | CUB | ED | 4 | 2 | 2 | 16 | 235 | 28E | 586203 | 3574642 🌍 | 3119 | 40 | 30 | 10 |
| <u>C_00571</u> | С | ED | 1 | 3 | 3 | 30 | 23S | 29E | 591241 | 3570957* 퉳 | 3219 | 90 | 38 | 52 |
| | ~ | Avera | ge Depth to Water | r: | 45 feet | | | | | | | | | |
| | | | | | | | | | | | Minimum Dep | ıh: | 12 feet | |
| | | | | | | | | | | | Maximum Dept | h: | 200 feet | |
| Record Count: 69 | • | | | | - | | | · · | | | | | 20, 20 | |
| UTMNAD83 Ra | dius Search (in meters): | | | | | | | | | | | | | |
| Easting (X): | 589007 | Nort | thing | (Y) | : | 3573 | 275 | | | Radius: 3220 | | | | |
| *UTM location was derived from PLSS - see Help | | | | | | | | | | | | | | |

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.

5/13/17 1:26 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER

5/13/17, 1:27 PM



Analytical Report Lab Order 1703241

Date Reported: 3/15/2017

Hall Environmental Analysis Laboratory, Inc.

| CLIENT: | Permits West | | (| Client Sampl | e ID: SBCU | Reid Domestic |
|----------------|------------------------|-----------|----------|---------------------|---------------|---------------------|
| Project: | Rock Cliff SBCU SWD | | | Collection I | Date: 3/2/201 | 7 1:17:00 PM |
| Lab ID: | 1703241-001 | Matrix: A | AQUEOUS | Received I | Daté: 3/6/201 | 7 1:39:00 PM |
| Analyses | | Result | PQL Qual | Units | DF | Date Analyzed |
| EPA MET | HOD 300.0: ANIONS | | | | | Analyst: MRA |
| Chloride | | 1900 | 100 * | mg/L | 200 | 3/8/2017 5:19:04 AM |
| EPA MET | HOD 1664B | | | | | Analyst: tnc |
| N-Hexan | e Extractable Material | ND | 10.8 | mġ/L | 1 | 3/7/2017 5:00:00 PM |
| SM25400 | MOD: TOTAL DISSOLVED | SOLIDS | | | | Analyst: KS |
| Total Dis | solved Solids | 6300 | 20.0 * | mg/L | 1 | 3/8/2017 5:19:00 PM |

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

| Qualifiers: | * | Value exceeds Maximum Contaminant Level. | В | Analyte detected in the associated Method Blank |
|-------------|----|---|----|--|
| | D | Sample Diluted Due to Matrix | Е | Value above quantitation range |
| | H | Holding times for preparation or analysis exceeded | J | Analyte detected below quantitation limits Page 1 of 4 |
| | ND | Not Detected at the Reporting Limit | Р | Sample pH Not In Range |
| | R | RPD outside accepted recovery limits | RL | Reporting Detection Limit |
| | S | % Recovery outside of range due to dilution or matrix | W | Sample container temperature is out of EXHIBIT K |

QC SUMMARY REPORT

| Hall | Environ | mental | Analysis | Lab | oratory, I | lne. |
|------|---------|--------|----------|-----|------------|------|
| | | | | | | |

Client:Permits WestProject:Rock Cliff SBCU SWD

| | | | | | | | | | | and the second se |
|---|------------|----------|-----------|-------------|-----------|-----------|-------------|------|----------|---|
| Sample ID MB-30528 | SampT | ype: ME | BLK | Tes | tCode: El | PA Method | 1664B | | | |
| Client ID: PBW | Batch | n ID: 30 | 528 | F | RunNo: 4 | 1179 | | | | |
| Prep Date: 3/6/2017 | Analysis D |)ate: 3/ | 7/2017 | 5 | SeqNo: 1 | 289925 | Units: mg/L | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| N-Hexane Extractable Material | ND | 10.0 | | | | | | | | |
| Silica Gel Treated N-Hexane Extrac | ND | 10.0 | | | | | | | | |
| Sample ID LCS-30528 | SampT | ype: LC | ŝ | Tes | tCode: E | PA Method | 1664B | | | |
| Client ID: LCSW | Batch | n ID: 30 | 528 | F | RunNo: 4 | 1179 | | | | |
| Prep Date: 3/6/2017 | Analysis D |)ate: 3/ | 7/2017 | 5 | SeqNo: 1 | 289926 | Units: mg/L | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| N-Hexane Extractable Material | 36.4 | 10.0 | 40.00 | 0 | 91.0 | 78 | 114 | | | |
| and a second construction of the second s | | | | | | | | | | |

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified



Page 2 of 4

WO#: 1703241

QC SUMMARY REPORT

WO#; 1703241

15-Mar-17

| Client: Project: | | Permits West Rock Cliff SBCU SWE |) | | | | | | | |
|---------------------|------|-------------------------------------|--------------|-------------|--------------------|---------|---------------|------|----------|------|
| Sample ID | MB | SampType | mblk | Tes | Code: EPA | Method | 300.0: Anions | | | |
| Client ID: | PBW | Batch ID: | A41211 | R | lunNo: 4121 | 1 | | | | |
| Prep Date: | | Analysis Date: | 3/8/2017 | S | ieqNo: 1290 | 980 | Units: mg/L | | | |
| Analyte | | Result P | QL SPK value | SPK Ref Val | %REC La | owLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride | | ND C |),50 | | | | | | | |
| Sample ID | LCS | SampType | : ics | Tes | Code: EPA | Method | 300.0: Anions | | | |
| Client ID: | LCSW | Batch ID: | A41211 | R | tunNo: 4121 | 1 | | | | |
| Prep Date: | | Analysis Date: | 3/8/2017 | S | GegNo: 1290 | 981 | Units: mg/L | | | |
| Analyte | | Result P | QL SPK value | SPK Ref Val | %REC Lo | owLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride | | 4.9 0 | 0.50 5.000 | 0 | 98.2 | 90 | 110 | | | |

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit.
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not in Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified



Page 3 of 4

| QC SUMMARY REPORT | |
|--|--|
| Hall Environmental Analysis Laboratory, Inc. | |

WO#: 1703241

15-Mar-17

Client: Project:

Permits West

| Sample ID MB-30562 | SampTy | pe: ME | BLK | Tes | tCode: SI | M2540C MC | DD: Total Dis | solved So | lids | |
|--|--|--------------------------------------|---------------------------------|-------------------------|---|---|--|-------------------|------------------|------|
| Client ID: PBW | Batch | 1D: 30 | 562 | F | RunNo: 4 | 1240 | | | | |
| Prep Date: 3/7/2017 | Analysis Da | ite: 3/ | 8/2017 | .5 | SeqNo: 1 | 292049 | Units: mg/L | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Total Dissolved Solids | ND | 20.0 | | | | | | | | |
| and the second | | | | | | | | | | |
| Sample ID LCS-30562 | SampTy | pe: LC | S | Tes | tCode: SI | M2540C MC | DD: Total Dis | solved So | lids | |
| Sample ID LCS-30562 Client ID: LCSW | SampTy Batch | pe: LC | S 562 | Tes | tCode: Si RunNo: 4 | M2540C M(1240 | DD: Total Dis | solved So | lids | |
| Sample ID LCS-30562 Client ID: LCSW Prep Date: 3/7/2017 | SampTy Batch Analysis Da | pe: LC ID: 309 | S 562 8/2017 | Tes F S | tCode: Si RunNo: 4 SeqNo: 1 | M2540C M(1240 292050 | D: Total Dis: Units: mg/L | solved So | lids | |
| Sample ID LCS-30562 Client ID: LCSW Prep Date: 3/7/2017 Analyte | SampTy Batch Analysis Da Result | pe: LC ID: 30(Ité: 3/I PQL | S 562 8/2017 SPK value | Tes F SPK Ref Val | tCode: Si RunNo: 4 SeqNo: 1 %REC | M2540C MC 1240 292050 LowLimit | D: Total Dis Units: mg/L HighLimit | solved So %RPD | lids RPDLimit | Qual |

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified



Page 4 of 4

Analytical Report

Lab Order 1703736

Date Reported: 3/28/2017

Hall Environmental Analysis Laboratory, Inc.

CLIENT: Permits West Client Sample ID: SBCU Reid Field Well Project: Rockcliff SBCU Reid Collection Date: 3/13/2017 12:25:00 PM Lab ID: Matrix: AQUEOUS 1703736-001 Received Date: 3/14/2017 3:21:00 PM Analyses Result PQL Qual Units DF Date Analyzed **EPA METHOD 300.0: ANIONS** Analyst: LGT Chloride 1800 200 100 3/21/2017 3:23:42 AM mg/L EPA METHOD 1664B Analyst: tnc N-Hexane Extractable Material ND 10.5 1 3/17/2017 mg/L SM2540C MOD: TOTAL DISSOLVED SOLIDS Analyst: KS **Total Dissolved Solids** 6870 200 3/17/2017 6:11:00 PM ۰D mg/L 1

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

| Qualifiers: | * | Value exceeds Maximum Contaminant Level. | В | Analyte detected in the associated Method Blank |
|-------------|----|---|----|---|
| | Ð | Sample Diluted Due to Matrix | Е | Value above quantitation range |
| | Н | Holding times for preparation or analysis exceeded | J | Analyte detected below quantitation limits Page 1 of 4 |
| | ND | Not Detected at the Reporting Limit | Р | Sample pH Not in Range |
| | R | RPD outside accepted recovery limits | RL | Reporting Detection Limit |
| | S | % Recovery outside of range due to dilution or matrix | w | Sample container temperature is out of ICEXHIBIT K |
| | | | | Lilling and the second s |



QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

Client:Permits WestProject:Rockcliff SBCU Reid

| Sample ID MB-30751 | SampType | MBLK | Tes | tCode: El | PA Method | 1664B | | | |
|---|---|---|-------------------------|--|---|-----------------------------------|------|----------|---|
| Client ID: PBW | Batch ID: | 30751 | F | RunNo: 4 | 1466 | | | | |
| Prep Date: 3/17/2017 | Analysis Date: | 3/17/2017 | 5 | SeqNo: 1 | 300240 | Units: mg/L | | | |
| Analyte | Result P | QL SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| N-Hexane Extractable Material | ND 1 | 0.0 | | | | | | | |
| | | ······ | | | | | | | The second se |
| Sample ID LCS-30751 | SampType | LCS | Tes | tCode: El | PA Method | 1664B | | | |
| Sample ID LCS-30751 Client ID: LCSW | SampType: Batch ID: | LCS 30751 | Tes F | tCode: El RunNo: 4 | PA Method 1466 | 1664B | | | |
| Sample ID LCS-30751 Client ID: LCSW Prep Date: 3/17/2017 | SampType Batch ID: Analysis Date: | LCS 30751 3/17/2017 | Tes F S | tCode: El RunNo: 4 SeqNo: 1 | PA Method 1466 300241 | 1664B Units: mg/L | | | <u>Antonio antonio program di Anto</u> |
| Sample ID LCS-30751 Client ID: LCSW Prep Date: 3/17/2017 Analyte | SampType: Batch ID: Analysis Date: Result Po | LCS 30751 3/17/2017 QL SPK value | Tes F SPK Ref Val | tCode: El RunNo: 4 SeqNo: 1: %REC | PA Method 1466 300241 LowLimit | 1664B Units: mg/L HighLimit | %RPD | RPDLimit | Qual |

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- 3 Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified



Page 2 of 4

WO#: 1703736

QC SUMMARY REPORT Hall Environmental Analysis Laboratory, Inc.

Client: Permits West Project: Rockcliff SBCU Reid

| Sample ID M | WB | SampTyp | e: MB | LK | Tes | tCode: El | PA Method | 300.0: Anions | ; | | |
|--|--------------------------|--|-----------------------------------|-----------------------------------|------------------------------|---|---|---|---------|----------|------|
| Client ID: P | PBW | Batch IC | D: A41 | 1501 | F | RunNo: 4 | 1501 | | | | |
| Prep Date: | An | alysis Date | e: 3/2 | 20/2017 | 5 | SeqNo: 1 | 302151 | Units: mg/L | | | |
| Analyte | R | lesult | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride | | ND | 0.50 | | | | | | | | |
| | | | | | | | | | | | |
| Sample ID L | _CS | SampTyp | e: LCS | S | Tes | tCode: El | PA Method | 300.0: Anions | ; | | |
| Sample ID LO Client ID: LO | .CS .CSW | SampTyp Batch II | e: LCS D: A41 | S 1501 | Tes | tCode: El RunNo: 4 | PA Method 1501 | 300.0: Anions | ; | | |
| Sample ID LC Client ID: LC Prep Date: | _CS _CSW _An | SampTyp Batch II alysis Date | e: LCS D: A41 e: 3/2 | S 1501 20/2017 | Tes F S | tCode: El RunNo: 4 SeqNo: 1 | PA Method 1501 302152 | 300.0: Anions Units: mg/L | <u></u> | | |
| Sample ID Lu Client ID: Lu Prep Date: Analyte | _CS _CSW _An _R | SampTyp Batch II alysis Date lesult I | e: LCS D: A41 e: 3/2 PQL | S 1501 20/2017 SPK value | Tes F S SPK Ref Val | tCode: El RunNo: 4 SeqNo: 1 %REC | PA Method 1501 302152 LowLimit | 300.0: Anions Units: mg/L HighLimit | %RPD | RPDLimit | Qual |

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- ${\bf B}$ Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified



Page 3 of 4

WO#: 1703736

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

Client: Permits West Project: Rockcliff SBCU Reid

| Sample ID MB-30731 | SampType: MBLK | TestCode: SM2540C MOD: Total Dissolved Solids |
|---|--|---|
| Client ID: PBW | Batch ID: 30731 | RunNo: 41476 |
| Prep Date: 3/16/2017 | Analysis Date: 3/17/2017 | SeqNo: 1300323 Units: mg/L |
| Analyte | Result PQL SPK value | SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual |
| Total Dissolved Solids | ND 20.0 | |
| | | |
| Sample ID LCS-30731 | SampType: LCS | TestCode: SM2540C MOD: Total Dissolved Solids |
| Sample ID LCS-30731 Client ID: LCSW | SampType: LCS Batch ID: 30731 | TestCode: SM2540C MOD: Total Dissolved Solids RunNo: 41476 |
| Sample ID LCS-30731 Client ID: LCSW Prep Date: 3/16/2017 | SampType: LCS Batch ID: 30731 Analysis Date: 3/17/2017 | TestCode: SM2540C MOD: Total Dissolved Solids RunNo: 41476 SeqNo: 1300324 Units: mg/L |
| Sample ID LCS-30731 Client ID: LCSW Prep Date: 3/16/2017 Analyte | SampType: LCS Batch ID: 30731 Analysis Date: 3/17/2017 Result PQL SPK value | TestCode: SM2540C MOD: Total Dissolved Solids RunNo: 41476 SeqNo: 1300324 Units: mg/L SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual |

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit
- W Sample container temperature is out of limit as specified CEXHIBIT K



Page 4 of 4

WO#: 1703736



New Mexico Oil Conservation Division 1220 South St. Francis Drive Sante Fe, New Mexico 87505

RE: Geologic Statement South Culebra Bluff Unit 1 SWD Conversion Section 23-Township 23 South-Range 28 East Eddy County, New Mexico

To whom it may concern:

Rockcliff Energy has reviewed all currently available geologic and engineering data related to the proposed well and no evidence for open faults or any other hydrological connection between the proposed deep Atoka injection zone, located approximately 11,748' TVD (-8,731' ss), and any underground sources of drinking water has been found.

Regards,

Dan Block Senior Geologist ROCKCLIFF ENERGY 0, LLC 1300 - 1301 McKinney St. Houston, TX 77010 Office: 713.351.0547 Mobile: 214.471.3331





Affidavit of Publication

State of New Mexico, County of Eddy, ss.

j.

Danny Fletcher, being first duly sworn, on oath says:

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

May 13_____

That the cost of publication is **\$51.48** and that payment thereof has been made and will be assessed as court

costs.

Subscribed and sworn to before me this / day of //ai 20 121 My commission Expires 3

Notary Public

2017



May 13, 2017 Rockcliff Operating New Mexico LLC is applying to convert the South Culebra Bluff Unit 1 to a saltwater disposal wiell. The well is at 1980 FNL & 1650 FEL Sec. 23, T. 23 S., R. 28 E., Eddy County and 15 2 miles east of Loving, NM. Disposal will be in the Atoka from 11,750° to 12,039° Maximum injection pressure will be 2,350 psil. Maximum disposal rate will be 2,350 psil. Maximum disposal rate will be 20,000 bwpd. Interested parties must file objections or reguests 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 numberis (505) 466-8120

EXHIBIT M



June 19, 2017

Johnny & Jackie Reid 245 East London Rd. Loving NM 88256

Rockcliff Operating New Mexico LLC is applying (see attached application) to deepen the South Culebra Bluff Unit 1 to a saltwater disposal well. As required by NM Oil Conservation Division (NMOCD) rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

Well: South Culebra Bluff Unit 1TD = 11,879'Proposed Disposal Zone: Atoka (11,750' - 11,879')Location: 1980' FNL & 1650' FEL Sec. 23, T. 23 S., R. 28 E., Eddy County, NMApproximate Location: 2 miles east of Loving, NMApplicant Name: Rockcliff Operating New Mexico LLC (713) 351-0500Applicant's Address: 1301 McKinney, Suite 1300, Houston TX 77010

<u>Submittal Information</u>: 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





PROPOSED ADVERTISEMENT

Case No. <u>15791</u>:

Application of Rockcliff Operating New Mexico LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Atoka formation at depths of 11750-11879 feet subsurface in the existing South Culebra Bluff Unit Well No. 1, located 1980 feet from the north line and 1650 feet from the east line of Section 23, Township 23 South, Range 28 East, NMPM. The well is located approximately 3 miles east-northeast of Loving, New Mexico.