

OCD-ARTESIA

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease Serial No.
LC 026874-B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Alamo Permian Resources, LLC ✓

3a. Address
415 W. Wall Street, Suite 500
Midland, TX 79701

3b. Phone No. (include area code)

432/897-0673

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Malco B Federal #1 ✓9. API Well No.
30-015-00795 ✓

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL J; 2310 FSL & 2310 FEL Sec 6, T18S-R27E ✓

10. Field and Pool or Exploratory Area
RED LAKE; Queen-Grayburg-SA11. Country or Parish, State
Eddy County, NM**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Produced water will be trucked and disposed of as according to Water Disposal Onshore Order No. 7 attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record

NMOCD

9/13/11

RECEIVED

AUG 24 2011

NMOCD ARTESIA

ACCEPTED FOR RECORD

AUG 20 2011

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Joanne Keating

Title Regulatory Affairs Coordinator

Signature

Date 08/02/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation(s) producing water on the lease.
San Andres
2. Amount of water produced from each formation in barrels per day.
+/- 6.45 bwpd
3. A water analysis of produced water from each zone showing at least the total dissolved solids, Ph, and the concentration of chloride and sulfates.
Attachment 3
4. How water is stored on the lease.
Up to 200 bbls
5. How water is moved to disposal facility.
Trucked
6. Operator's of disposal facility
See Attachment 6A & 6B
 - a. Lease name or well name and number
 - b. Location by ¼ ¼ Section, Township, and Range of the disposal system
 - c. The appropriate NMOCD permit number

Malco B Federal Battery

2-210 Bbl oil tanks (steel)

1-200 Bbl wtr tank (fiber glass)

1-4' x20' gun bbl (fiberglass)

Alternate Company SWD sites:

Artesia State Unit

West Artesia Grayburg Unit

Producing Formation:

San Andres

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

ATTACHMENT 3

Company: **WadeCo Specialties, LLC**

Well Number: Malco B Fed #1
Lease: Alamo Energy
Location: WC1866
Date Run: 6/27/2011
Lab Ref #: 11-jun-w22660

Sample Temp: 70
Date Sampled: 6/23/2011
Sampled by: Wade Havens
Employee #:
Analyzed by: GR

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H ₂ S)	122.00	16.00	7.63
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

		Mg/L	Eq. Wt.	MEq/L
Calcium	(Ca++)	2,010.00	20.10	100.00
Magnesium	(Mg++)	473.36	12.20	38.80
Sodium	(Na+)	71,663.05	23.00	3,115.78
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	.67	27.50	.02

Anions

		Mg/L	Eq. Wt.	MEq/L
Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO ₃ =)	.00	30.00	.00
BiCarbonate	(HCO ₃ -)	537.68	61.10	8.80
Sulfate	(SO ₄ =)	3,450.00	48.80	70.70
Chloride	(Cl-)	112,723.86	35.50	3,175.32
Total Iron	(Fe)	3.86	18.60	.21
Total Dissolved Solids		190,984.48		
Total Hardness as CaCO ₃		6,965.78		
Conductivity MICROMHOS/CM		209,800		

pH 6.530 Specific Gravity 60/60 F. 1.133

CaSO₄ Solubility @ 80 F. 97.19MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	.337	100.0	.737	130.0	1.417
80.0	.457	110.0	1.037	140.0	1.417
90.0	.737	120.0	1.037	150.0	1.807

WadeCo Specialties, LLC



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 7, 1999

Attachment 6A

CERTIFIED MAIL

RETURN RECEIPT NO. P-326-936-534

Mr. James R. Maloney
Loco Hills Water Disposal, Inc.
P.O. Box 68
Loco Hills, NM 87255

**RE: OCD Rule 711 Permit Approval (NM-01-0004)
Loco Hills Water Disposal, Inc.
Commercial Surface Waste Management Facility
SW/4 SW/4 Section 16, Township 17 South, Range 30 East, NMPM
Eddy County, New Mexico**

Dear Mr. Maloney:

The permit application for the Loco Hills Water Disposal, Inc. (LHWD) commercial surface waste management facility located in the SW/4 SW/4 Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$250,000. According to the schedule outlined in the financial assurance section of the enclosed attachment, 25% of the \$250,000 bond (\$62,500) is required within thirty (30) days of the date of this letter. The application consists of the permit application Form C-137 dated April 13, 1999, inspection report response letter dated April 13, 1999, and materials from the hearing files related to Order No. R-7329, dated October 30, 1981; Order No. R-7329-De Novo, dated July 29, 1982; Order No. R-7720, dated December 30, 1982; and Order R-8855, dated May 12, 1986.

The construction, operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved treatment, evaporation and landfarm methods must receive prior OCD approval. LHWD is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility permit does not relieve LHWD of liability should your operation result in actual pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve LHWD of responsibility for compliance with other federal, state or local laws and/or regulations.

Mr. James R. Maloney

September 7, 1999

Page 2

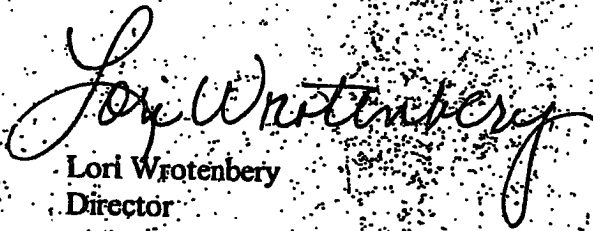
Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

The LHWD Commercial Surface Waste Management Facility Permit NM-01-0004 will be reviewed at least once every five (5) years from the date of this approval letter. The facility is subject to periodic inspections by the OCD.

Enclosed are two copies of the conditions of approval. Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 827-7153.

Sincerely,



Lori Wrotenbery
Director

LW/mjk

xc with attachments:

Artesia OCD Office
Hobbs OCD Office

ATTACHMENT TO OCD 711 PERMIT APPROVAL
PERMIT NM-01-0004
LOCO HILLS WATER DISPOSAL, INC.
SURFACE WASTE MANAGEMENT FACILITY
SW/4 SW/4 Section 16, Township 17-South, Range 30 East, NMPM
Eddy County, New Mexico
(September 7, 1999)

FACILITY AND EVAPORATION POND OPERATION

1. The facility must be fenced and have a sign at the entrance. The sign must be legible from at least fifty (50) feet and contain the following information: a) name of the facility; b) location by section, township and range; and c) emergency phone number.
2. Disposal must occur through a computerized disposal system. The processing, evaporation and landfarm portion of the facility must be secured when no attendant is present.
3. All produced water must be unloaded into tanks. The produced water must reside in the tank and skimmer pit system long enough to allow for oil separation. Oil recovered must be stored in above-ground storage tanks. Per Division Rule 310, oil may not be stored or retained in earthen reservoirs or in open receptacles. Free oil must be removed regularly from the skim pits and sump.
4. All existing above-ground tanks located at the facility and containing materials other than fresh water must be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater. All above-ground tanks must be labeled as to contents and hazards.
5. All new or replacement above-ground tanks containing materials other than fresh water must be placed on an impermeable pad and be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater.
6. Below-grade sumps and below-grade tanks must be cleaned and visually inspected annually. Results must be recorded and maintained for OCD review. If sump/tank integrity has failed the OCD must be notified within 48 hours of discovery and the sump/tank contents and contaminated soils must be removed and land farmed at the facility landfarm or disposed of at an OCD-approved facility. Soil remediation must follow OCD surface impoundment closure guidelines. The permittee must submit a report to the OCD Santa Fe and Artesia offices that describes the investigation and remedial actions taken.
7. Overflow collection ditches must be cleaned and visually inspected annually. Results must be recorded and maintained for OCD review.
8. All new or replacement below-grade sumps and below-grade tanks at the facility must have impermeable secondary containment with a leak detection monitoring system. The secondary containment system must be inspected for fluids weekly. Results must be recorded and maintained for OCD review. If fluids are present they must be checked and the analyses must be furnished to the OCD

Santa Fe and Artesia offices.

9. The produced water receiving and treatment area must be inspected daily for tank, piping and berm integrity.
10. Any design changes to the surface waste management facility must be submitted to the OCD Santa Fe office for approval.
11. The evaporation ponds must have a minimum freeboard of three (3) feet. A device must be installed in the ponds to accurately measure freeboard.
12. Adequate freeboard will be maintained on all skim pits to prevent overflow.
13. The evaporation ponds may not contain any free oil.
14. The evaporation ponds and skim pits must be inspected on at least a daily basis and immediately following each consequential rainstorm or windstorm. The OCD Santa Fe and Artesia offices must be notified within 48 hours if any defect is noted. Repairs must be made as soon as possible. If the defect will jeopardize the integrity of the pond or pit, additional wastes may not be placed into the pond or pit until repairs have been completed.
15. Monitoring of the Santa Rosa Formation 60-foot monitoring wells (MH-2, MH-4, MH-5, MH-6, MH-7, MH-8, MH-9, and MH-10) must be performed quarterly and records of the date, inspector and status of the monitor well must be maintained. If fluid is present in the Santa Rosa Formation monitor wells the fluids in the pond and monitor wells must be measured for conductivity. If the pond and monitor well fluid conductivity measurements are similar the OCD Santa Fe and Artesia offices must be notified within 48 hours. Within 72 hours of discovery of water similarities, Loco Hills Water Disposal will submit a plan to the OCD Santa Fe and Artesia offices for review and approval that describes what procedures will be taken, to investigate the lateral extent of the waste water plume.
16. Annual reports regarding quarterly monitor well sampling must be furnished to the OCD Santa Fe office in database form and must include a graphical plot showing water level and conductivity in each well for all preceding quarters.
17. Monitoring of the Rustler Formation monitor wells (MH-1, MH-3, MH-11, MH-12, and MH-13) is not required. Loco Hills Water Disposal should secure these wells from potential vandalism, dumping or injection.
18. To protect migratory birds, all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted, covered or otherwise rendered nonhazardous to migratory birds.

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Attachment 6B

Administrative Order SWD-332-A
October 21, 2010

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Judah Oil, LLC seeks an administrative order to re-enter and utilize the Red Lake State Well No. 1 (API 30-015-22893) located 1980 feet from the North line and 1980 feet from the East line, Unit Letter G of Section 22, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Judah Oil, LLC, is hereby authorized to re-enter and utilize the Red Lake State Well No. 1 (API 30-015-22893) located 1980 feet from the North line and 1980 feet from the East line, Unit Letter G of Section 22, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) through perforations into the Abo formation from 6610 to 6734 and the Upper Penn Cisco formation from 8152 to 8850 feet through lined tubing and a packer set within 100 feet above the permitted disposal interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and

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

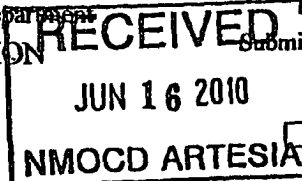
* Phone: (505) 476-3440 * Fax: (505) 476-3462 * <http://www.emnrd.state.nm.us>



using 1
1613 1/2 French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
AMENDED REPORT



WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-22893		2 Pool Code 96136		3 Pool Name SWD; Wolfcamp, Cisco	
4 Property Code	5 Property Name Red Lake State SWD			6 Well Number 001	
7 OGRID No. 245872	8 Operator Name Judah Oil, L.L.C.			9 Elevation 3592 GR	

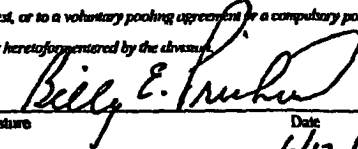
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	22	17S	28E		1980	North	1980	East	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

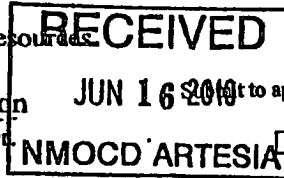
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16 <div>See original C102 Surveyed 3/23/1979</div>				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature _____ Date 6/12/10 Billy E. Prichard Printed Name	
				18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat 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 belief</i> Date of Survey _____ Signature and Seal of Professional Surveyor. _____ Certificate Number _____	

District I
1323 W. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-101 1/17
June 16, 2008

to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Judah Oil, LLC PO Box 568 Artesia, NM 88211		OGRID Number 245872
Property Code		API Number 30-015-22893
Property Name Red Lake State SWD		Well No. 001
Proposed Pool 1 SWD; Wolfcamp, Cisco	Proposed Pool 2	

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	22	17S	28E		1980	North	1980	East	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

Work Type Code E	Well Type Code S	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3592 GR
Multiple No	Proposed Depth 9355	Formation Cisco	Contractor Unknown	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	412ft	400	Surface-In Place
12 1/2"	8 5/8"	32#	2100ft	1185	Surface-In Place
7 7/8"	5 1/2"	17#	10398ft	938	Surface-In Place

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any. Use additional sheets if necessary.

Judah Oil, LLC purposes to re-enter the former Lucas Store KT State # 001 plugged and abandoned by Yates Petroleum Corporation 12/29/2009

Cement plugs from surface to PBTD 9355ft will be drilled out using fresh water.

3000 psi double BOP with pipe and blind rams will be used during drill out and completion operations

Attached is well data sheet, before and after well diagrams, C144 CLEZ

This work will be performed only after the approval of NMOC D form C108

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

Signature:

Billy E. Prichard

Printed name: Billy E. Prichard

Title: Agent for Judah Oil, LLC

E-mail Address: billy@pwllc.net

Date:

6/12/2010

Phone: 432-934-7680

OIL CONSERVATION DIVISION

Approved by:

Agnes Prichard
Geologist

Title:

Approval Date: 7/21/2010

Expiration Date:

Conditions of Approval Attached ☐

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

6/17/2011