

Bratcher, Mike, EMNRD

From: Holm, Anchor <aholm@slo.state.nm.us>
Sent: Thursday, March 14, 2013 10:36 AM
To: 'Mike Stewart'; jordanrubicon@msn.com
Cc: Bratcher, Mike, EMNRD; Dawson, Scott, EMNRD; Warnell, Terry G.; Tyler Woodruff; tony@alamoresources.com; carl@alamoresources.com; Carie Stoker; r@rthicksconsult.com; Hollie Lamb; pseale@alamoresources.com; jordanrubicon@msn.com
Subject: RE: Proposed New Well at Cedar Lake (#5)

Mike,

Mr. Scott Dawson requested input from the State Land Office regarding this proposed location, since we are the Trustee for the State Land and Minerals on this lease. I provided my input prior to Mr. Mike Bratcher's site visit a few days ago and some follow up input. Yesterday, I talked briefly with Tyler Woodruff, discussing SLO concerns regarding your proposed well location.

We concur that the surface wellbore location should be on your lease. We do believe that a prudent operator would avoid floodways.

As for your other questions, they should be addressed to the NM OCD office in Artesia or Santa Fe. Our concerns related to the surface impacts of a well pad and any pit planned to be left on site, as stated previously.

Thank you,

Anchor Holm

GeoScientist/Petroleum Engineering Specialist
NM State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Ph. 505-827-5759
aholm@slo.state.nm.us

From: Mike Stewart [mailto:mstewart@helmsoil.com]
Sent: Wednesday, March 13, 2013 1:43 PM
To: Holm, Anchor; jordanrubicon@msn.com
Cc: Bratcher, Mike, EMNRD; scott.dawson@state.nm.us; Warnell, Terry; Tyler Woodruff; tony@alamoresources.com; carl@alamoresources.com; Carie Stoker; r@rthicksconsult.com; Hollie Lamb; pseale@alamoresources.com; jordanrubicon@msn.com
Subject: RE: Proposed New Well at Cedar Lake (#5)

Mr. Holm,

With this email I am going to be handing this issue off to Mr. Tyler Woodruff with Alamo Permian Resources. Mr. Woodruff is the landman for Alamo Permian that handles this area.

However I would like clarification regarding your email if this condition is solely due to the proposed open-pit permit that was submitted to the NMOCD Artesia office or if it likewise applies to a well drilled utilizing closed-loop methodology?

Moving the location per your recommendation 300 – 400' to the southeast will likely put the location on minerals that are not controlled / leased by Alamo Permian. At a minimum it will cause the location to be a Non-Standard location and further will compromise the geological target associated with the current location which has already been issued an Approved Application for Permit to Drill by the NMOCD District II office effective 1/29/13.

Regards,

Michael Stewart

President - Member



Helms Oil & Gas, LLC

P.O. Box 52808, Midland, TX, 79710

3315 Caldera Blvd, Midland TX, 79707

(432) 682-1122 Office

(432) 682-1166 Fax

(432) 638-9009 Cell

Email : mstewart@helmsoil.com

From: Holm, Anchor [<mailto:aholm@slo.state.nm.us>]

Sent: Wednesday, March 13, 2013 9:53 AM

To: Mike Stewart

Cc: 'Bratcher, Mike, EMNRD'; Scott Dawson (scott.dawson@state.nm.us); Warnell, Terry

Subject: RE: Proposed New Well at Cedar Lake (#5)

To: Michael (Mike) Stewart, President,
Helms Oil & Gas, aka Alamo Permian,

Dear Mr. Stewart,

The Petroleum Engineering Staff of the State Land Office has reviewed your proposed well location at Cedar Lake in Lot 2, Sec. 30, T-17-S, R-31-E, on State Land Office Lease No. B-3627-0046, as shown on the attached figures (topographic map and imagery). The State Land Office requests that your proposed well location be moved 300' to 400' to the southeast to avoid encroachment onto the high water mark of Cedar Lake and its associated outfall into Cedar Draw.

Reasoning:

1. The currently proposed location is within the high water mark of Cedar Lake as shown by the gray soils on the aerial photo.
2. The currently proposed location is within the outfall of Cedar Lake into Cedar Draw.
3. Location of the well pad within these areas will cause damage to the outfall and cause flooding of nearby land, as well as likely washout of the well pad.
4. The Well Pad should not be constructed within the high water mark of Cedar Lake or Cedar Draw.
5. Any disposal pit located within the high water mark of Cedar Lake and Cedar Draw would be subject to flooding and erosion. Such disposal pit should not be allowed within these floodways.

NOTE: A newly formed sinkhole is located just to the south of the proposed well location. It is shown on the eastern edge of the high water mark of Cedar Draw in the aerial images attached. It would be prudent to avoid building any well pad or related disposal pit on or near this natural feature, since typically these features increase in radius over time.

If you have any questions, please contact me at (505) 827-5759.

Respectfully yours,

Anchor Holm

GeoScientist/Petroleum Engineering Specialist
NM State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Ph. 505-827-5759
aholm@slo.state.nm.us

From: Bratcher, Mike, EMNRD [<mailto:mike.bratcher@state.nm.us>]
Sent: Wednesday, March 13, 2013 7:38 AM
To: Holm, Anchor
Subject: RE: Proposed New Well at Cedar Lake

Anchor,

The contact person is Michael (Mike) Stewart, title: President HeLMS Oil & Gas aka Alamo Permian.

432-682-1122 Office
432-682-1166 Fax
432-638-9009 Cell

mstewart@helmsoil.com

P.O. Box 52808
Midland TX 79710

I left a message for him to call me a couple of days ago, but never got a call. I didn't try his cell or email, so good luck.

I appreciate your help with this.

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108
C: 575-626-0857
F: 575-748-9720

From: Holm, Anchor [<mailto:aholm@slo.state.nm.us>]
Sent: Wednesday, March 13, 2013 7:29 AM
To: Bratcher, Mike, EMNRD
Subject: RE: Proposed New Well at Cedar Lake

Mike,

Do you have a preferred contact person that I should call at the operator? If so, please send me their contact information.

Thanks,

Anchor Holm

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NM State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Ph. 505-827-5759
aholm@slo.state.nm.us

From: Dawson, Scott, EMNRD [<mailto:Scott.Dawson@state.nm.us>]
Sent: Tuesday, March 12, 2013 3:13 PM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD; Sanchez, Daniel J., EMNRD; Bailey, Jami, EMNRD
Cc: Terry G. Warnell (twarnell@icloud.com); Holm, Anchor; Roybal, Larry
Subject: FW: Proposed New Well at Cedar Lake

To: Bratcher, Mike, EMNRD; Sanchez, Daniel J., EMNRD; Dade, Randy, EMNRD
Subject: RE: Proposed New Well at Cedar Lake

Hi Anchor,

Are you going to call the operator and ask them to move the proposed location outside of the high water mark? – Since it is on State Land?

Thanks Anchor,

Scott

From: Holm, Anchor [<mailto:aholm@slo.state.nm.us>]
Sent: Wednesday, March 06, 2013 3:07 PM
To: Bratcher, Mike, EMNRD; Warnell, Terry G.
Subject: Proposed New Well at Cedar Lake

Mike and Terry,

Attached is the scanned 3-2-2012 Google Image with the location of the currently proposed New Well marked. This is based upon the lat.long. given to Terry.

It appears that this well site is within the throat of the floodway/spillway from Cedar Lake. Upon review of this image, I suggest that the location be moved about 340 feet to the SE. It is marked as the "Possible New Well relocation". This relocated site should be at least as far away from the high water mark of Cedar Lake as the Recent Well, also shown on this image.

Thanks for the well location clarification,

Anchor Holm

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Oil, Gas and Minerals Division
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Santa Fe, NM 87504-1148
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