New Mexico Oil Conservation Division, District I
1625 N. French Drive

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
NMNM-0241

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
CITIES SERVICE FEDERAL #2 & #4

2. Name of Operator
INFLOW PETROLEUM RESOURCES, LP

9. API Well No.
30-025-09692, 30-025-25176

3a. Address
13760 NOEL ROAD, SUITE 104, DALLAS, TX 75240

3b. Phone No. *(include area code)*
469-916-8373

10. Field and Pool, or Exploratory Area
JALMAT (TAN-YATES-7 RIVERS)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
CITIES #2 - 1980' FSL & 660' FEL, SEC 35, T-24S, R-36E, UNIT I
CITIES #4 - 990' FSL & 330' FEL, SEC 35, T-24S, R-36E, UNIT P

11. County or Parish, State
LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☒ Water Disposal - APPROVAL RQST'D	

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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Request saltwater disposal approval pursuant to Incident of Non-Compliance # AJM-002-06 dated 10/21/05. Required information is attached hereto.

SUBJECT TO
LIKE APPROVAL
BY STATE

JAN 2006
Received
Hobbs
OCD

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

Title CEO - IPR ENERGY, LLC - GENERAL PARTNER

Signature Rey A. Baribault

Date 12/08/2005

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)

GWW

ATTACHMENT to Incident of Noncompliance # AJM-002-06

The following information is needed before your disposal of produced water can be approved, per Onshore Oil & Gas Order #7.

You may attach this information to your Sundry Notice (3160-5). Submit all required information as per this attachment, submit a Sundry Notice(3160-5),one original and five copies to this office within the required time.

1. Name(s) of all formation(s) producing water on the lease. Yates

2. Amount of water produced from all formations in barrels per day. 25 BWPD or less

3. A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.

4. How water is stored on the lease. 300-bbl fiberglass open top tank with bird net

5. How water is moved to the disposal facility. Transferred through 3" polypipe

6. Identify the Disposal Facility by:
   A. Operators' Name Prime Operating Company
   B. Well Name Possh #2 SWD
   C. Well type and well number #2 SWD - Queen, API No. 30-025-26965
   D. Location by quarter/quarter, section, township, and range Unit F, SENW, Section 36, T24S - R36E

7. A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.

Possh #2 SWD operated by Prime Operating

Oilfield Solutions, Inc.
2614 S.C.R. 1257, Midland, Tx. 79706

WATER ANALYSIS REPORT

Company: Midland Operating
Location: Cities Service Federal #4
Source: Well Head
Date Sampled: January 14, 1999

Sampled By: Custom Chemical Co.
Analysis Date: January 20, 1999
Salesman:

	ANALYSIS	mg/L		EQ. WT.		MEQ/L
1.	pH	8.08				
2.	Specific Gravity 60/60 f.	1.012				
3.	Hydrogen Sulfide	Positive				
4.	Carbon Dioxide	Not Determined				
5.	Dissolved Oxygen	Not Determined				
6.	Hydroxyl (OH-)	0	/	17.0	=	0.00
7.	Carbonate (CO3=)	0	/	30.0	=	0.00
8.	Bicarbonate (HCO3-)	1465	/	61.1	=	23.98
9.	Chloride (Cl-)	5,999	/	35.5	=	168.99
10.	Sulfate (SO4=)	2,064	/	48.8	=	42.30
11.	Calcium (CA++)	1,074	/	20.1	=	53.43
12.	Magnesium (Mg++)	1,367	/	12.2	=	112.05
13.	Sodium (Na+)	1,605	/	23.0	=	69.79
14.	Barium (Ba++)	3250.00				
15.	Total Iron (Fe)	0.30				
16.	Dissolved Solids	13,574				
17.	Filterable Solids					
18.	Total Solids	13,574				
19.	Total Total Hardness As CaCO3	8,307				
20.	Suspended Oil					
21.	Volume Filtered (ml)					
22.	Resistivity @ 75 F. (calculated)	0.597 /cm.				

23.	CAC03 Saturation Index	
	@80 F.	1.8295
	@100 F.	2.1595
	@120 F.	2.4095
	@140 F.	2.6795
	@160 F.	3.0295
24.	Calcium Sulfate solubility @ 90 F.	3,497 mg/L

PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO3)2	81.04		23.98	1,943
CaSO4	68.07		29.45	2,005
CaCl2	55.50		0.00	0
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCL2	47.62		112.05	5,336
NaHCO3	84.00		0.00	0
NaSO4	71.03		12.85	913
NaCl	58.46		56.94	3,329

Chemist: _____