

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD #0865

RECEIVED

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
5. Lease Designation and Serial No.
NMNM24166
6. If Indian, Allottee or Tribe Name
7. If Unit or CA, Agreement Designation
8. Well Name and No.
Sprinkle Federal #3
9. API Well No.
30-025-28521
10. Field and Pool, or Exploratory Area
Scharb; Bone Spring
11. County or Parish, State
Lea, NM

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry
to a different reservoir. Use 'APPLICATION FOR PERMIT TO
for such proposals

SEP - 2 2000
HOBBBS OCD

SUBMIT IN TRIPLICATE

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

2. Name of Operator
DLJ Equipment Leasing LTD. Co.

2. Address Telephone No.
P.O. Box 2149, HC 60 Artesia Hwy, Lovington, NM 88260 575-392-3575

3. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)
1650' FNL & 460' FEL, Sec. 9, T19S, R35E

12. CHECK APPROPRIATE BOX(s) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other - Convert to Commercial SWD
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Request permission to convert from a producer to a salt water disposal well and operate as a commercial salt water disposal.

Please note the following:

- OCD approved Administrative Order SWD-426-A which gave Lynx Petroleum, the previous operator, approval to convert the well to a salt water disposal well.
- This is the last well on the lease.
- Well is located on FEE surface and FEDERAL minerals.
- An agreement has been obtained from the surface owner to operate the well as a commercial disposal.

**SUBJECT TO LIKE
APPROVAL BY STATE**

APPROVED
AUG 27 2008
JAMES A. AMOS
SUPERVISOR-EPS

14. I hereby certify that the foregoing is true and correct

Signed Debbie McKelvey Title Debbie McKelvey, Agent Date 7/21/08
(This space for Federal or State office use)

Approved by [Signature] Title OC FIELD REPRESENTATIVE II/STAFF MANAGER Date SEP 05 2008
Conditions of approval, if any:

Gandy Corporation
P.O. Box 2140
Lovington, NM 88260
(575) 396-4948

RECEIVED
SEP - 2 2008
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August 29, 2008
Attn: Debra

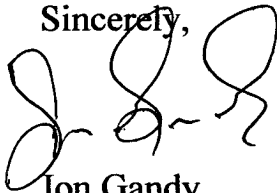
30-025-28521

Dear Debra,

Here is the letter that we wanted to forward to you letting you know that we will be working on the **Sprinkle SWD** in approximately two weeks. We have also forwarded this same letter to Mr. Kress Jones, the land owner.

If you have any questions or comments, please feel free to contact me at (575)399-9909.

Sincerely,



Jon Gandy
Vice President

P.O. Box 2140
Lovington, NM 88260
(575) 396-4948

August 29, 2008
Mr. Kress Jones
3729 W. Sanger
Hobbs, NM 88240

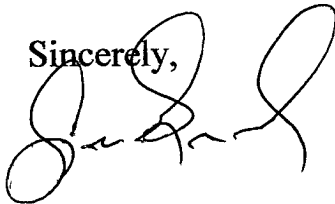
RECEIVED
SEP - 2 2008
HOBBS OCD

Dear Mr. Jones,

I am sending you this certified letter to inform you that Gandy Corporation will begin working on the **Sprinkle SWD** in approximately two weeks. We are looking forward to working with you and will be in touch soon.

If you have any questions or comments, please feel free to contact me at (575)399-9909.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Gandy', with a large, stylized flourish extending from the end of the signature.

Jon Gandy
Vice President