1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101 Revised July 18, 2013

Pool Code

96101

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 0 5 2015

APPL	CATIO	N FOR	PERMIT T	O DRILL,	RE-ENTE	R, DEEPEN.	PLUGBAC	K, OR ADD	A ZONE
			OWL SWD Ope 8214 Westches	erating, Inc. ster Drive	En	W 34		OGRID Number 308339	
			Suite 8 Dallas, TX				30-0	25-429	374
3 Prop	erty Code	4		Sn	Property Name			6. Well 001	
	, - , ,			7. St	rface Location	1			
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	6	20S	34E		1502	S	695	E	Lea
				* Propose	ed Bottom Hol	e Location			
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

Additional Well Information

9. Pool Information

Pool Name

SWD: Devonian

^{11.} Work Type	12. Well Type S	13. Cable/Rotary R	14. Lease Type P	15. Ground Level Elevation 3616
16. Multiple N	17. Proposed Depth 15625	18. Formation Devonian	19. Contractor Unknown	20. Spud Date ASAP
Depth to Ground water	Distance from	nearest fresh water well	Distance to n	nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

SWD-1555-A

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	24"	20"	133lb/ft	1500'	1788	SURFACE
Int	17 1/2"	13-5/8"	88.2 lb/ft	5500'	4275	SURFACE
Prod	12-1/4"	9 7/8"	62.8 lb/ft	10,825'	2087	SURFACE
Prod. Liner	8 1/2"	7"	32 lb/ft	10,625'-14,625'	610	10,625'

Casing/Cement Program: Additional Comments

5 7/8" Open Hole from 14625'-15625'

22 Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Double Hydraulic	5000	5000	Cameron.Schaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC, if applicable. Signature: Bills & Fruebre	Approved By:
Printed name: Billy E. Prichard	Title: Petroleum Engineer
Title: Agent for OWL SWD Operating, L.L.C.	Approved Date: 12/04/15 Expiration Date: 12/04/17
E-mail Address: billy@pwllc.net	
Date: 9/29/15 Phone: 432-934-7680	Conditions of Approval Attached

CONDITIONS OF APPROVAL

API#	Operator	Well name & Number
30-025-42974	OWL SWD Operating Inc	SMITH RANCH SWD # 001

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

XXXXXXX	Will require administrative order for SWD prior to placing the well on injection
Other wells	
Drilling	
XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Casing

XXXXXXX	SURFACE & INTERNEMIATE(1) CASING - Cement must circulate to surface
XXXXXXX	PRODUCTION CASING - Cement must circulate to surface
XXXXXXX	LINER - Top of Cement must come to top of liner
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
	South Area
XXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Pits

XXXXXXX	If using a pit for drilling and completions, must have an approved pit form prior to spudding the well	

Completion & Production

	(XXXXXXX Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114
	XXXXXX Must conduct MIT prior to any injection
_	XXXXXXX Must conduct MIT prior to any injection