

DATE IN 11/19/2015	SUSPENSE	PRG ENGINEER	LOGGED IN 12/02/2015	TYPE SWD	APP NO. PWAM1533639110
-----------------------	----------	-----------------	-------------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 The original AOP will be submitted under separate cover when received.

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Billy E. Prichard
 Print or Type Name

Signature

Billy E. Prichard

Agent for OWL, SWD Operating, LLC
 Title

Date

11/17/15

billy@pwllc.net
 e-mail Address

- must have drawing w/ connected tubing

- SWD-1615
 - OULSWD operating, LLC
 308339
 well
 - Talon SWD #1
 30025-42761
 Pool
 - SWD, Deudonian
 Silurian
 97869

Pueblo West Resources
125 Greathouse Village
Decatur, Texas 76234
432-934-7680

RECEIVED OGD

2015 NOV 19 P 2:43

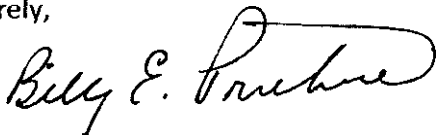
November 17, 2015

Per the rules and regulations of the New Mexico Oil Conservation Division, please find enclosed a copy of NMOCD form C108. This deeper application replaces the C108 application filed for this same well on September 30, 2015. The previous application requesting approval for injection in the San Andres – Delaware formations is hereby withdrawn.

OWL SWD Operating, LLC, 8214 Westchester Drive, Suite 850, Dallas, TX 75255 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to drill and convert the Talon SWD #1, API 30-025-42761, 1880 FNL x 330 FWL, Unit Letter "E", Section 20, T18S, R34E, Lea County, New Mexico to a commercial salt water disposal well. The proposed disposal interval is the Devonian – Silurian formations through open hole at approximately 14,900' – 15,900'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate is 15,000 BWPD with a maximum disposal rate of 25,000 BWPD. Anticipated disposal pressure is 0 (zero) psi with a maximum disposal pressure of 2980 psi. The well is located approximately 6.5 miles southwest of Buckeye, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Billy E. Prichard 432-934-7680.

Sincerely,

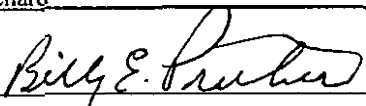


Billy E. Prichard
Agent for OWL SWD Operating, LLC
Email: billy@pwllc.net
Fax: 940-627-5449



www.pwllc.net

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: OWL SWD Operating, LLC
ADDRESS: 8214 Westchester Drive, Suite 850, Dallas, TX 75255
CONTACT PARTY: Billy E. Prichard Agent for OWL SWD Operating, LLC PHONE: 432-934-7680
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Billy E. Prichard TITLE: Agent for OWL SWD Operating,
LLC
- SIGNATURE:  DATE: 11/17/15
- E-MAIL ADDRESS: billy@pwllic.net
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

**OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico
C108 Application for Authorization to Inject**

I.

The purpose of this application is to drill and equip the Talon SWD #1 as a commercial Devonian – Silurian salt water disposal well. This application qualifies for administrative approval.

II.

**Operator: OWL SWD Operating, LLC OGRID: 308339
Address: 8214 Westchester Drive, Suite 850, Dallas, TX 75255
Contact Party: Billy E. Prichard 432-934-7680 email: billy@pwillc.net**

III.

Please see Exhibit "A" for proposed well data.

IV.

This is not an expansion of an existing project.

V.

Please see Exhibit "B" of lease map.

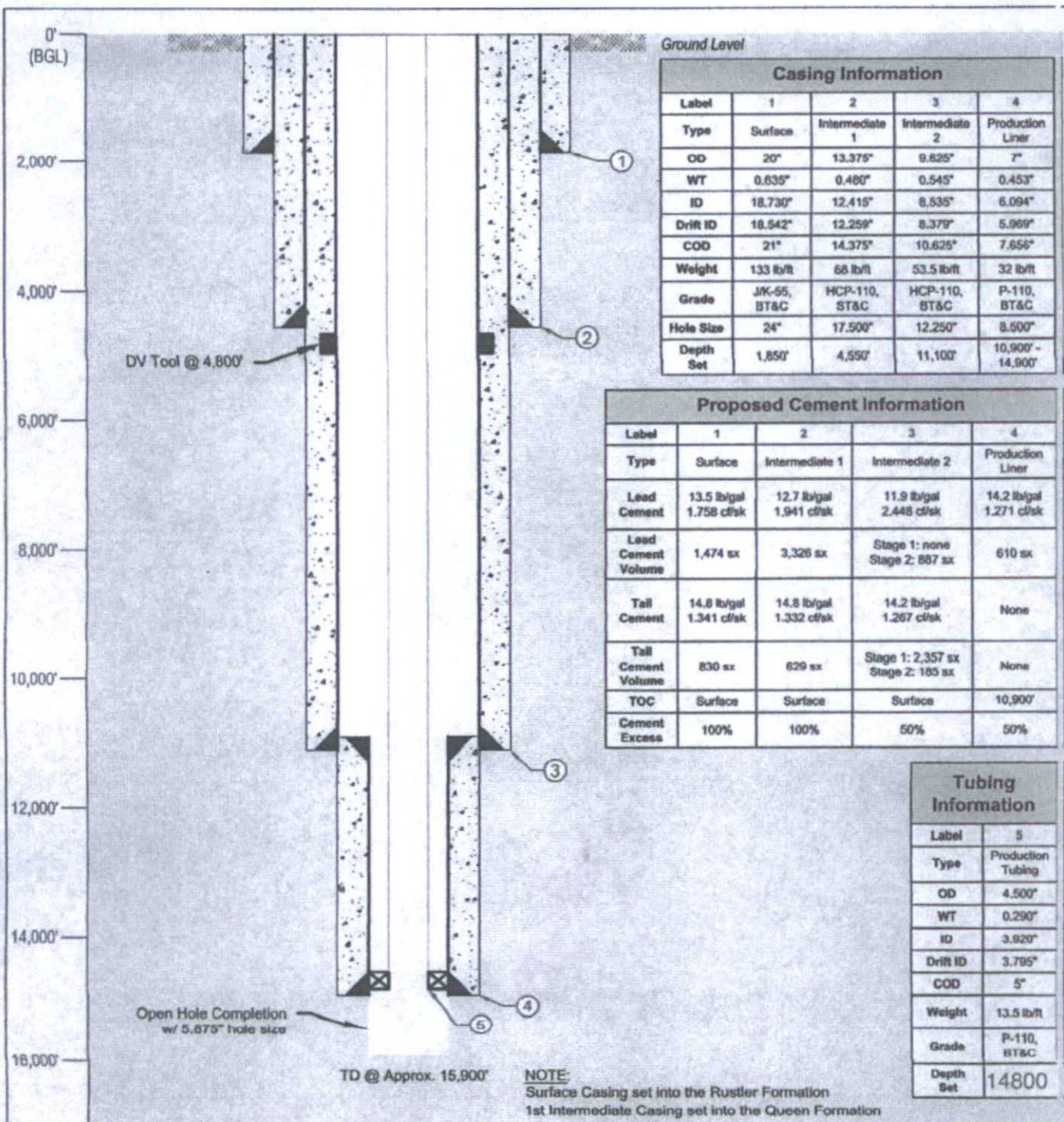
VI.

There are no wells identified within the 0.5 mile Area of Review that penetrate the proposed disposal zone. There are eight wells identified within the AOR that do not penetrate the proposed disposal zone. Please see Exhibit "C" for offset well data.

VII.

- 1. Anticipated disposal volume – 15,000 BWPD with a maximum of 25,000 BWPD.**
- 2. System will be open.**
- 3. Anticipated disposal pressure: Minimum 0 (zero) psig, Maximum 2980 psig.**
- 4. Please see Exhibit "D" for disposed fluid analysis.**
- 5. Please see Exhibit "D" for disposal zone fluid analysis.**





<div>LONQUIST & CO. LLC</div> <div>PETROLEUM ENGINEERSENERGY ADVISORS</div> <div>AUSTIN HOUSTONWICHITA CALGARY</div>	OWL SWD Operating, Inc		Talon SWD No. 1		
	Country: USA	State/Province: New Mexico	County/Parish: Lea		
	Survey/STR: E-20-18S-34E	Site:	Status: To Be Drilled		
	API No.: 30-025-42761	Field:	Ground Elevation:		
	Texas License F-8952	State ID No.:	Project No:	Date: 1/15/2016	
	3345 Bee Cave Road, Suite 201 Austin, Texas 78746 Tel: 512.732.9812 Fax: 512.732.9816	Drawn: MMC	Reviewed: SLP	Approved: SLP	
Rev No: 1		Notes: Devonian completion with 4-1/2" Injection Tubing.			

"Exhibit A"

Talon_Devonian - Wellbore_APD_Calculation_4.5 in.xlsx

20	surface csg in a		24	inch hole.		Design Factors		SURFACE	
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	133.00	J 55	BUTT	8.18	1.53	1.2	1,850	246,050	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,335				Tail Cmt	does not	circ to sfc.	Totals:	1,850	246,050
<u>Comparison of Proposed to Minimum Required Cement Volumes</u>									
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
24	0.9599	2304	3704	1852	100	10.20	1552	2M	1.50

casing inside the 20					Design Factors			INTERMEDIATE	
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	68.00	HCP 110	ST&C	4.19	1.14	1.07	4,550	309,400	
"B"							0	0	
w/8.4#/g mud, 30min 5fc Csg Test psig:							Totals:	4,550	309,400
The cement volume(s) are intended to achieve a top of					0	ft from surface or a		1850	overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
17 1/2	0.6946	3955	7294	3647	100	10.80	4016	5M	1.56

9 5/8	casing inside the			13 3/8	Design Factors			PRODUCTION	
Segment	#/ft	Grade		Coupling	Body	Collapse	Burst	Length	Weight
"A"	53.50	HCP 110		BUTT	2.88	1.37	1.15	11,100	593,850
"B"								0	0
w/B.4#/g mud, 30min Sfc Csg Test psig: 2,442								Totals:	11,100 593,850
The cement volume(s) are intended to achieve a top of					0	ft from surface or a		4550	overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
12 1/4	0.3132	look v	0	3595		11.20	6165	10M	0.81
Setting Depths for D V Tool(s):				4800			sum of sx	Σ CuFt	Σ %excess
% excess cmt by stage:				50	50		3429	5392	50
Class 'H' tail cmt yld > 1.20				MASP is within 10% of 5000psig, need exrta equip?					

7	Liner w/top @	10900	Design Factors				LINER		
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	32.00	P 110	BUTT	2.15	1.14	1.23	4,000	128,000	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 3,278							Totals:	4,000 128,000	
The cement volume(s) are intended to achieve a top of				10900	ft from surface or a		200	overlap.	
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
8 1/2	0.1268	610	775	517	50	12.20			0.422
Capitan Reef est top XXXX.				MASP is within 10% of 5000psig, need exrta equip?					

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico
C108 Application for Authorization to Inject

VIII.

<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>	<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>
Rustler	1823	Strawn	12,210
Salado	1896	Atoka	12,520
Yates	3343	Morrow	13,250
Seven Rivers	3815	Mississippian	14,030
Queen	4542	Devonian	14,862
Delaware	5973	Proposed Disp Zone	14,900 – 15,900
Bone Spring	7386	Montoya	16,600
Wolfcamp	10,554		

IX.

No stimulation planned at this time.

X.

All logs performed will be submitted after completion.

XI.

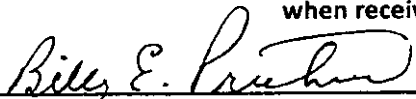
NM OSE records indicate that there are six water wells within the 1 mile Area of Review. New samples from the nearest water wells were obtained September 10, 2015. GO-Tech and recent test results are included in Exhibit "E". The nearest water well is located approximately 2235' from the proposed Talon SWD #1.

XII.

Available geological and engineering data have been examined and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.

XIII.

Please see Exhibit "F" for Proof of Notice". The original AOP will be submitted under separate cover when received.

Billy E. Prichard 
Agent for OWL SWD Operating, LLC

Date: 11/17/15



www.pwllc.net

Page 2 of 2

DJH

**OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico
Well Data**

Propose to drill salt water disposal well in the Devonian - Silurian formations.

Drill 24" hole to 1850', run 20" 133# surface casing to 1850', cement with 2304 sacks cement. Circulate cement to surface.

Drill 17-1/2" hole to 4550', run 13-3/8" 68# intermediate casing to 4550', cement with 3955 sacks cement. Circulate cement to surface.

Drill 12-1/4" hole to 11,100', run 9-5/8" 53.5# production casing to 11,100', cement with 2715 sacks cement. Circulate cement to surface.

Drill 8-1/2" hole to 14,900', run 7" 32# liner from 10,900' to 14,900', cement with 610 sacks cement. TOC at 10,900'.

Drill 5-7/8" hole to approximately 15,900' TD, circulate hole clean, log.

Run 5-1/2" 20# tubing, set packer maximum of 100' above top of open hole interval.

No initial stimulation planned. Perform pump in test to evaluation formation for disposal.

<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>	<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>
Rustler	1823	Strawn	12,210
Salado	1896	Atoka	12,520
Yates	3343	Morrow	13,250
Seven Rivers	3815	Mississippian	14,030
Queen	4542	Devonian	14,862
Delaware	5973	Proposed Disp Zone	14,900 – 15,900
Bone Spring	7386	Montoya	16,600
Wolfcamp	10,554		



www.pwllc.net

EXHIBIT "A"

OWL SWD Operating, LLC
Proposed Talon SWD #1
0.5 mile Area of Review

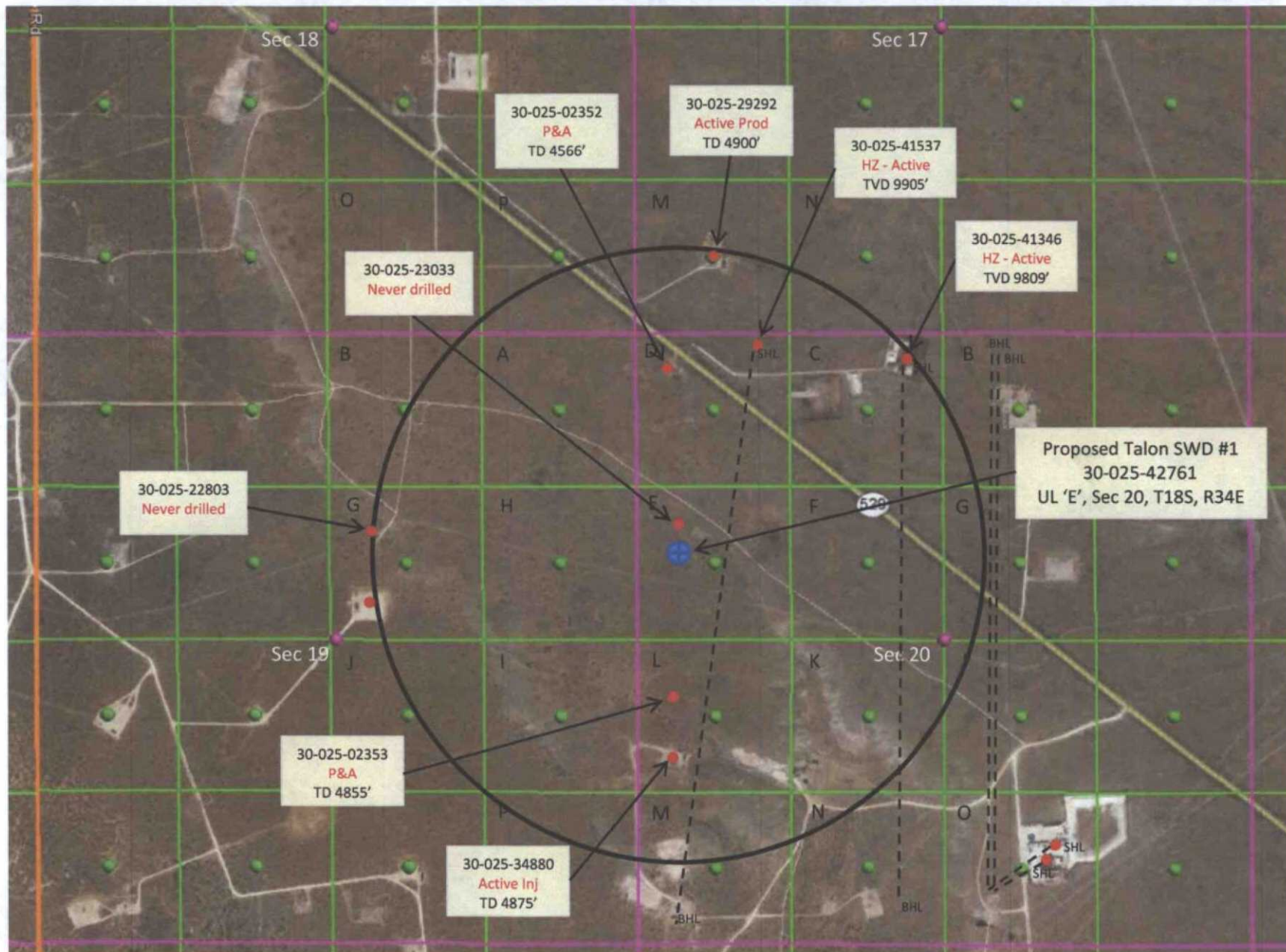


EXHIBIT "C"

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
Offset Wells within 0.5 Mile AOR

Exhibit "C"

There are no wells within the AOR that penetrate the proposed injection zone.

There are Eight Wells within the AOR that Do Not Penetrate the Proposed Injection Zone

UL, Sec, T, R	API Well No.	Well Type	Well Status	Spud Date	TVD	Wellbore Diagram
M-17-18S-34E	30-025-29292	Oil	Active	6/9/85	4900	N
G-19-18S-34E	30-025-22803	Never drilled	NA	NA	-	N
C-20-18S-34E	30-025-41346	Oil - Horiz	Active	3/3/14	9890	Y
C-20-18S-34E	30-025-41537	Oil - Horiz	Active	8/17/14	9905	Y
D-20-18S-34E	30-025-02352	Oil	P&A	2/24/56	4566	N
E-20-18S-34E	30-025-23033	Never drilled	NA	NA	-	N
L-20-18S-34E	30-025-02353	Oil	P&A	1/20/69	4855	N
L-20-18S-34E	30-025-34880	Inj	Active	2/3/00	4875	N

30-025-41346

This horizontal well was drilled to 9942' TVD (14,445' MD) in March, 2014. It produces from perforations in the Bone Spring at 9910' - 14,335'. The surface hole is in UL 'C' and the bottom hole is in UL 'N'. This horizontal well overlies the proposed Talon SWD #1. 5-1/2" production casing was run to 14,428' and cemented with 2240 sks of cement. TOC is at 1370' per CBL. See attached wellbore diagram.

30-025-41537

This horizontal well was drilled to 9905' TVD (14,437' MD) in September, 2014. It produces from perforations in the Bone Spring at 9974' - 14,359'. The surface hole location is in UL 'D' and the bottom hole location is in UL 'M'. This horizontal well overlies the proposed Talon SWD #1. 5-1/2" production casing was run to 14,413' and cemented with 2300 sks of cement. Cement circulated to surface. See attached wellbore diagram.



www.pwllc.net

DJH

CURRENT WELLBORE DIAGRAM

COG Operating LLC
Dos Abuelos Fee #1H
API # 30-025-41346
190' FNL x 2310' FWL, UL 'C' Sec 20, T18S, R34E, Lea County, NM
Active Oil Producer

Well Spudded 3/3/14

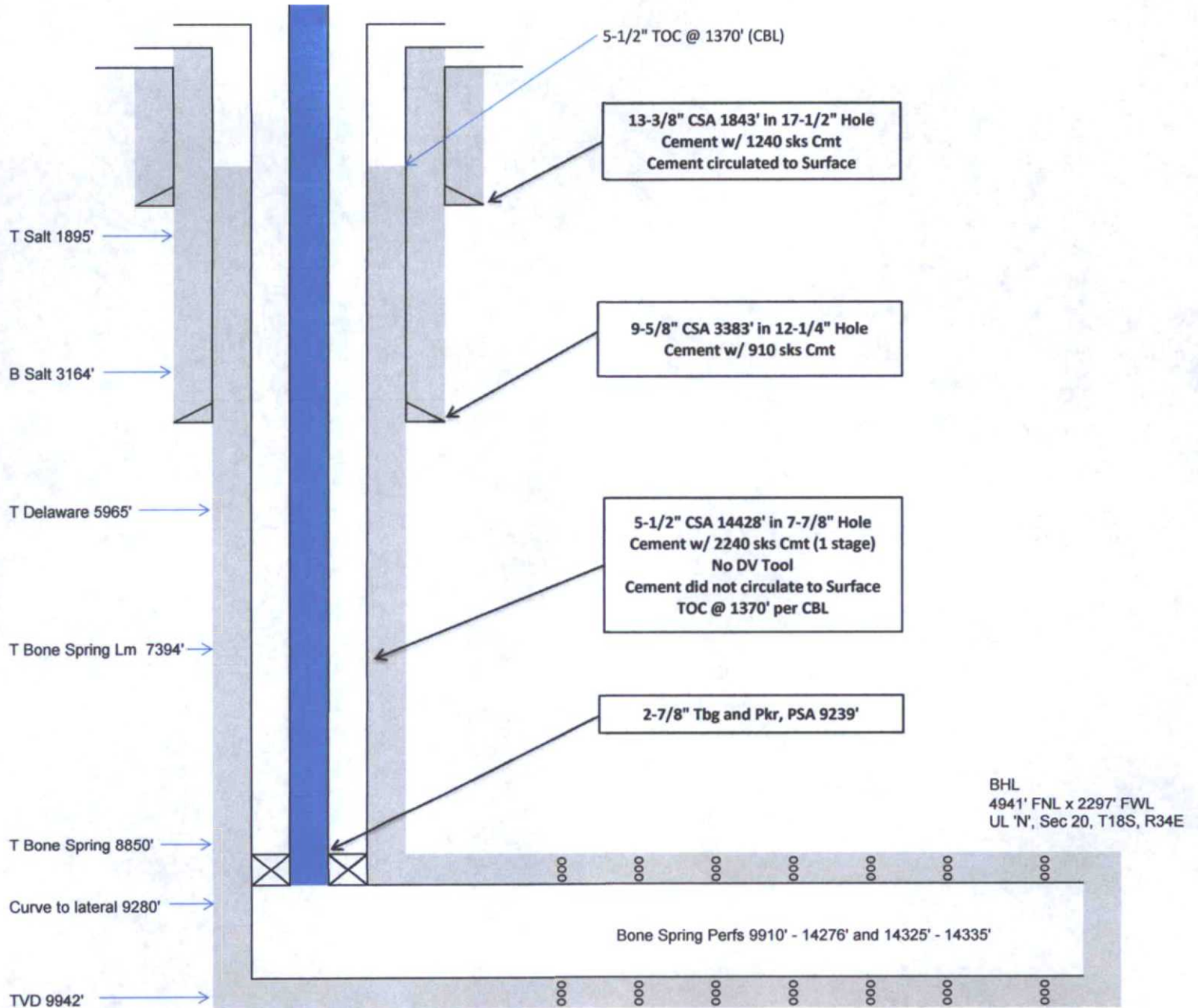


EXHIBIT "C"
Drawing Not to Scale

CURRENT WELLBORE DIAGRAM

COG Operating LLC
Dos Abuelos Fee #2H
API # 30-025-41537
190' FNL x 990' FWL, UL 'D' Sec 20, T18S, R34E, Lea County, NM
Active Oil Producer

Well Spudded 8/17/14

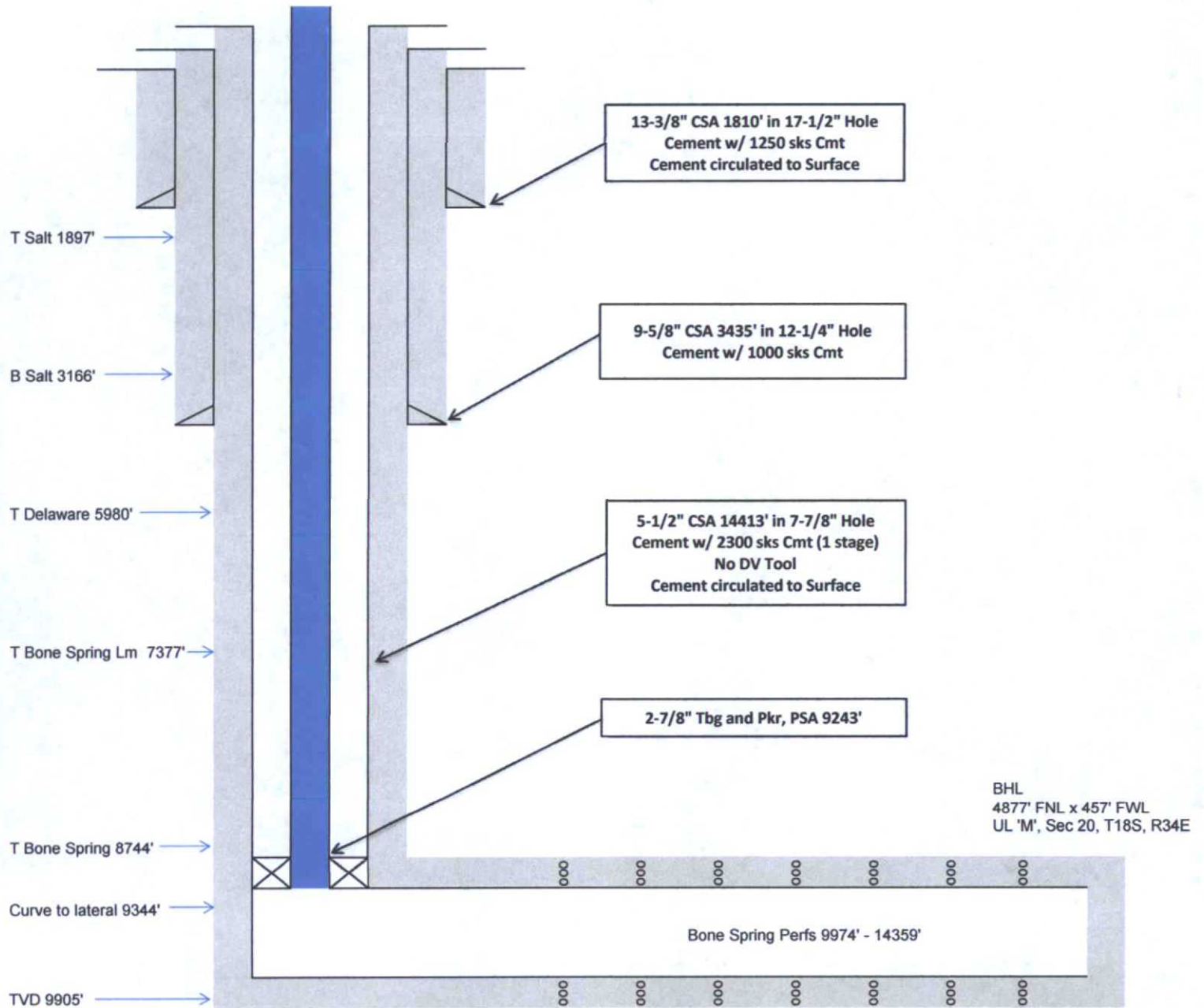


EXHIBIT "C"
Drawing Not to Scale

OWL SWD Operating, LLC
Talon SWD #001
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico

Exhibit "D"

Formation Water			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-02271	Gbg/SA	227,926	139,200
30-025-30163	Delaware	138,303	87,630

Possible Disposed Fluid			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-02271	Gbg/SA	227,926	139,200
30-025-02321	Abo	55,839	30,850
30-025-02362	Wolfcamp	145,500	87,300
30-025-02370	Artesia	237,614	146,600
30-025-30163	Delaware	138,303	87,630

Data obtained from GO-Tech.



www.pwllc.net



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub- Code	basin	County	Q 6	Q 4	Q 16	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 03436	Within AOR	L	LE	1	4	18	18S	34E		631230	3623771	170	125	45
L 05374	Outside AOR	L	LE	2	2	16	18S	34E		634994	3624840*	192	105	87
L 05882		L	LE	1	4	16	18S	34E		634605	3624030*	230	110	120
L 07429		L	LE	1	1	1	19	18S	34E	630523	3623272*	149	105	44
L 09752	Within AOR	L	LE	3	1	2	20	18S	34E	632968	3623188	179	130	49
L 10345 POD2		L	LE	2	3	20	18S	34E		632620	3622393*	130	120	10
L 10346		L	LE	3	20	18S	34E			632425	3622187*	130		
L 10436		L	LE	3	20	18S	34E			632425	3622187*	120	80	40
L 13211 POD1	Outside AOR	L	LE	4	3	4	16	18S	34E	634629	3623592	140		
L 13563 POD1	Within AOR	L	LE	4	4	4	20	18S	34E	633506	3621920	200		

Average Depth to Water: 110 feet

Minimum Depth: 80 feet

Maximum Depth: 130 feet

Record Count: 10

PLSS Search:

Section(s): 16, 17, 18, 19, 20, 21, 29, 30 Township: 18S Range: 34E

EXHIBIT "E"

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1 Mile AOR for Water Wells

T18S, R34E

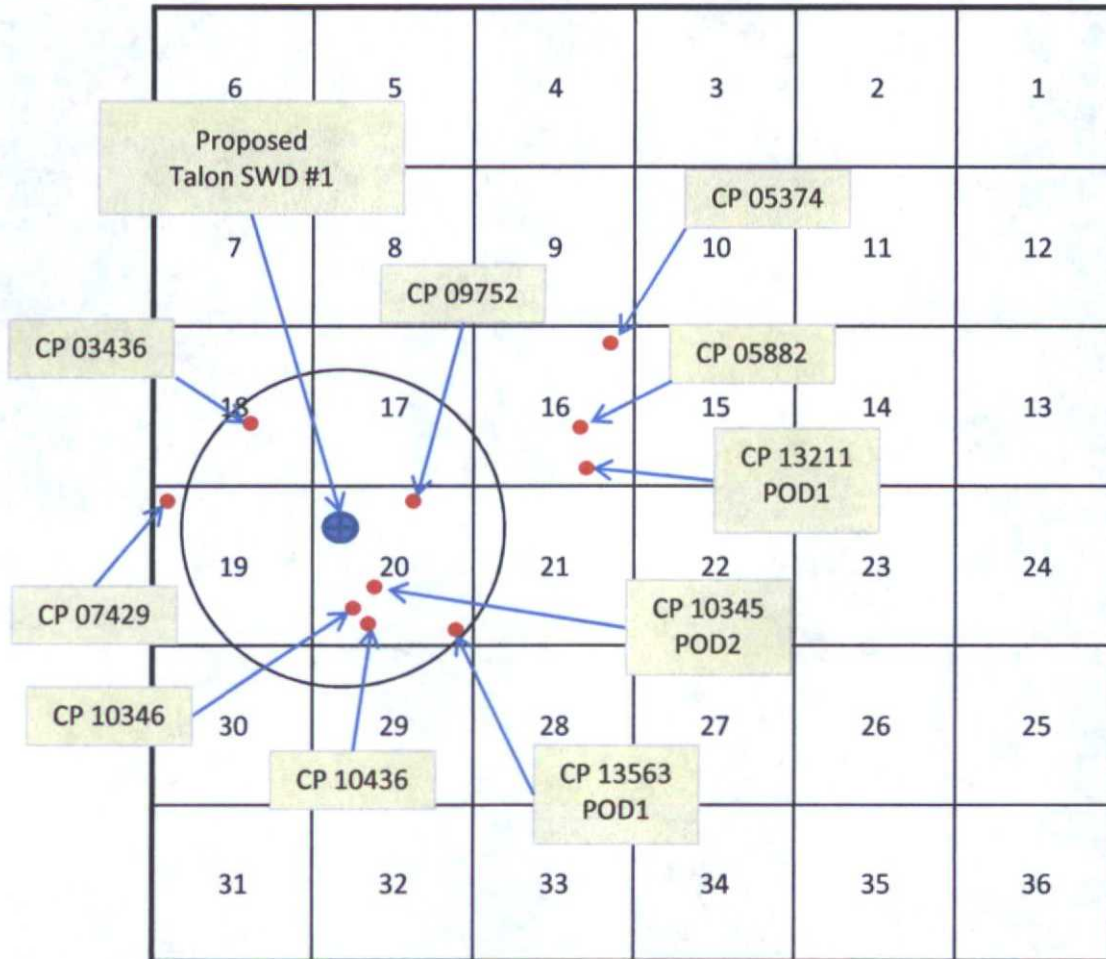


Exhibit "E"

Ground Water Samples Query

Water Sample Search

SECTION

Township

Range

Formation

DATE

CHLORIDE (mg/L)

Water Samples for TOWNSHIP 18S RANGE 34E SECTION 20

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	1	20	18S	34E	18S.34E.20.32333

Water Samples

General Information About Sample 12784			
Section/ Township/Range	20/18S/34E	Lat/Long	32.7328/-103.582
Elevation	4011	Depth	111
Date Collected	12/1/1995 12:00:00 AM	Chlorides	35
Collector / Point of Collection	SEQ/DP	Use	Stock
Formation	QAL	TDS	0

Data from GO-Tech

EXHIBIT "E"

Analytical Results For:

OILFIELD WATER LOGISTICS
8214 WESTCHESTER DRIVE, SUITE 850
DALLAS TX, 75225

Project: TALON WATER SAMPLE
Project Number: 2448
Project Manager: MICHAEL BRANDON
Fax To:

Reported:
17-Sep-15 11:01

L 10345

H502394-01 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories

Inorganic Compounds

Alkalinity, Bicarbonate	195		5.00	mg/L	1	5090114	AP	15-Sep-15	310.1	
Alkalinity, Carbonate	ND		0.00	mg/L	1	5090114	AP	15-Sep-15	310.1	
Chloride*	56.0		4.00	mg/L	1	5091508	AP	15-Sep-15	4500-Cl-B	
Conductivity*	534		1.00	uS/cm	1	5091512	AP	15-Sep-15	120.1	
pH*	7.51		0.100	pH Units	1	5091104	AP	11-Sep-15	150.1	
Sulfate*	18.7		10.0	mg/L	1	5091507	AP	15-Sep-15	375.4	
TDS*	286		5.00	mg/L	1	5091514	AP	16-Sep-15	160.1	
Alkalinity, Total*	160		4.00	mg/L	1	5090114	AP	15-Sep-15	310.1	

Green Analytical Laboratories

Dissolved Metals by ICP

Calcium*	48.8		0.020	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	
Magnesium*	8.91		0.100	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	
Potassium*	2.64		1.00	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	
Sodium*	35.2		1.00	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	

EXHIBIT "E"

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico**

Exhibit "E"

Six Ground Water Wells Identified by OSE database Within 1 Mile AOR

<u>POD Number</u>	<u>Location</u>	<u>Well Depth</u>	<u>Water Depth</u>	<u>Sample Date</u>	<u>TDS</u>	<u>Chlorides</u>	<u>Note</u>
L 03436	Sec 18, T18S, R34E	170	125	Unk	Unk	Unk	1
L 09752	Sec 20, T18S, R34E	179	130	Unk	Unk	Unk	1
L 10345	Sec 20, T18S, R34E	130	120	Unk	Unk	Unk	1
L 10345	Sec 20, T18S, R34E	130	120	9/10/15	286	56	2
L 10346	Sec 20, T18S, R34E	130	Unk	Unk	Unk	Unk	1
L 10436	Sec 20, T18S, R34E	120	80	Unk	Unk	Unk	1
L 10436	Sec 20, T18S, R34E	120	80	9/10/15	264	28	2
L 13563	Sec 20, T18S, R34E	200	Unk	Unk	Unk	Unk	1

Historical Water Sample Identified on GO-Tech Database

<u>POD Number</u>	<u>Location</u>	<u>Well Depth</u>	<u>Water Depth</u>	<u>Sample Date</u>	<u>TDS</u>	<u>Chlorides</u>	<u>Note</u>
NA-Well A	Sec 20, T18S, R34E	Unk	Unk	12/1/65	Unk	35	3

- 1 – No historical water well tests found on these OSE listed wells.
- 2 – Data from Cardinal Labs report dated 9/17/15.
- 3 - Historical data obtained from GO-Tech database only. No record of this well in the OSE database. This water well is located approximately 2986 feet from the proposed SWD well.



www.pwllc.net

Legal Notice

LEGAL NOTICE November 17, 2015

OWL SWD Operating, LLC,
8214 Westchester Drive,
Suite 850, Dallas, TX 75255
has filed form C108
(Application for Authorization
to Inject) with the New
Mexico Oil Conservation
Division seeking
administrative approval for
the drilling and conversion to
commercial salt water
disposal at the Talon SWD
#1, API # 30-025-42761,
1880 FNL X 330 FWL, Unit
Letter "E", Section 20, T18S,
R34E, Lea County, New
Mexico. The proposed
disposal interval is the
Devonian - Silurian
formations through open
hole from 14,900' to 15,900'.
Disposal fluid would be
produced water from
producing oil and gas wells
in the area. Anticipated
disposal volume is 15,000
BWPD with a maximum
disposal volume of 25,000
BWPD. Anticipated disposal
pressure is 0 (zero) psi with
a maximum disposal
pressure of 2980 psi. The
well is located approximately
6.5 miles southwest of
Buckeye, New Mexico.

All interested parties
opposing the
aforementioned must file
objections with the New
Mexico Oil Conservation
Division, 1220 South St.
Francis Drive, Santa Fe,
New Mexico 87505 within 15
days. Additional information
can be obtained by
contacting Billy E. Prichard
at 432-934-7680.
#30490

Scheduled to be printed in the Hobbs News-Sun on November 17, 2015. Original affidavit of
publication will be submitted upon receipt.

EXHIBIT "F"

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
0.5 Mile AOR

RI - State of New Mexico
Oper - Occidental Permian, Ltd

Sec 18, T18S, R34E

Sec 17, T18S, R34E

RI - State of New Mexico
Oper - Hunt Cimarron, LP

RI - BLM
Oper - Seely Oil Co.

RI - BLM
Oper - CW & FT Stumhoffer

RI - BLM
Oper - Seely Oil Co.

Sec 19, T18S, R34E

Sec 20, T18S, R34E

RI - Scharbauer Cattle Co
Oper - COG Operating, LLC

RI - State of New Mexico
Oper - Matador Production Co

This location 1880 FNL X 330 FWL
Surface Owner - Kenneth Smith, Inc
267 Smith Ranch Rd, Hobbs, NM 88240-8514
Drawing not to scale

Exhibit "F"

OWL SWD Operating, LLC
Talon SWD #1
API #30-025-42761

EXHIBIT 'F' - NOTIFICATION LIST

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	Kenneth Smith, Inc.	267 Smith Ranch Rd	Hobbs, NM 88240-8514	Surf Owner

S2SW, Section 17, T18S, R34E, NMPM (ULs M, N)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504-1148	Mineral Owner
2	Mobil Producing Texas & NM, Inc.	P. O. Box 2305	Houston, TX 77252-2305	Leasehold Owner
3	Hunt Cimarron, LP	P. O. Box 1592	Roswell, NM 88202-1592	Operator

SESE, Section 18, T18S, R34E, NMPM (UL P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504-1148	Mineral Owner
2	Occidental Permian, Ltd	P. O. Box 4294	Houston, TX 77210	Leasehold Owner/Oper

N2NE, SWNE, Section 19, T18S, R34E, NMPM (ULs A, B, G)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
2	Seely Oil Co.	815 W 10th St	Ft Worth, TX 76102	Leasehold Owner/Oper

SENE, Section 19, T18S, R34E, NMPM (UL H)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
2	Clarence W. & Freida T. Stumhoffer	3108 Overton Park Drive, West	Ft Worth, TX 76109	Leasehold Owner/Oper

SE4, Section 19, T18S, R34E, NMPM (ULs I, J, O, P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
2	Seely Oil Co.	815 W 10th St	Ft Worth, TX 76102	Leasehold Owner/Oper

W2, Section 20, T18S, R34E, NMPM (ULs C, D, E, F, K, L, M, N)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	Scharbauer Cattle Company	303 W Wall St	Midland, TX 79701	Mineral Owner
2	COG Operating, LLC	550 W Texas Ave, Suite 1300	Midland, TX 79701	Leasehold Owner/Oper

OWL SWD Operating, LLC
Talon SWD #1
API #30-025-42761

W2NE, NWSE, Section 20, T18S, R34E, NMPM (ULs B, G, J)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504-1148	Mineral Owner
2	MRC Permian Company c/o Matador Production Co	5400 LBJ Freeway, Suite 1500	Dallas, TX 75240	Leasehold Owner/Oper

NMOCD Noticees

#	NAME	ADDRESS	CITY STATE ZIP
1	State of New Mexico NMOCD Engineering Bureau	1220 South St. Francis Drive	Santa Fe, NM 87505
2	State of New Mexico NMOCD District 1	1625 N. French Drive	Hobbs, NM 88240

7015 0640 0000 3691 8815

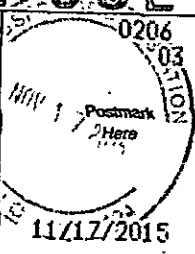
**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

CARLSBAD, NM 88220

OFFICIAL USE

Certified Mail Fee	\$3.45
Extra Services & Fees (check box, add fee)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.86
Total Postage and Fees	\$8.11



Sent To
Street and Apt. No.
City, State, ZIP+4®
United States Dept of Interior
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

PS Form 3800, Apr 01

7015 0640 0000 3691 8815

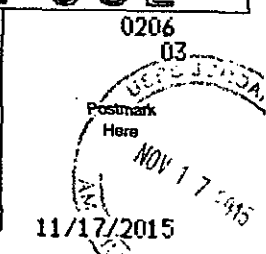
**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

SANTA FE, NM 87504

OFFICIAL USE

Certified Mail Fee	\$3.45
Extra Services & Fees (check box, add fee)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.86
Total Postage and Fees	\$8.11



Sent To
Street and Apt. No.
City, State, ZIP+4®
State of New Mexico
Commissioner of Public Land
P. O. Box 1148
Santa Fe, NM 87504-1148

PS Form 3800, Apr 01

7015 0640 0000 3691 8822

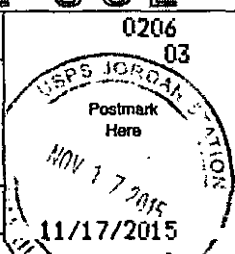
**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

HOBBS, NM 88240

OFFICIAL USE

Certified Mail Fee	\$3.45
Extra Services & Fees (check box, add fee)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.42
Total Postage and Fees	\$7.67



Sent To
Street and Apt. No.
City, State, ZIP+4®
State of New Mexico
NMOCD District I
1625 N. French Drive
Hobbs, NM 88240

PS Form 3800, Apr 01

7015 0640 0000 3691 8822

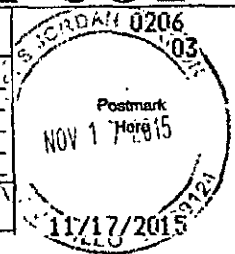
**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

HOBBS, NM 88240

OFFICIAL USE

Certified Mail Fee	\$3.45
Extra Services & Fees (check box, add fee)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.42
Total Postage and Fees	\$7.67



Sent To
Street and Apt. No.
City, State, ZIP+4®
Kenneth Smith, Inc.
267 Smith Ranch Rd
Hobbs, NM 88240-8514

PS Form 3800, Apr 01

7015 0640 0000 3691 8846

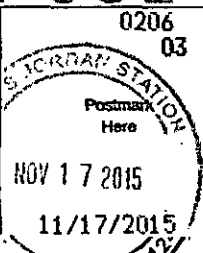
**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

ROSWELL, NM 88202

OFFICIAL USE

Certified Mail Fee	\$3.45
Extra Services & Fees (check box, add fee)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.42
Total Postage and Fees	\$7.67



Sent To
Street and Apt. No.
City, State, ZIP+4®
Hunt Cimarron, LP
P. O. Box 1592
Roswell, NM 88202-1592

PS Form 3800, Apr 01

7015 0640 0000 3691 8914

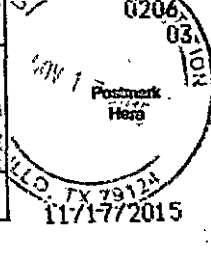
**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

MIDLAND, TX 79701

OFFICIAL USE

Certified Mail Fee	\$3.45
Extra Services & Fees (check box, add fee)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$1.42
Total Postage and Fees	\$7.67



Sent To
Street and Apt. No.
City, State, ZIP+4®
COG Operating, LLC
550 W Texas Ave, Suite 1300
Midland, TX 79701

PS Form 3800, Apr 01

7015 0640 0000 3691 8860

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

HOUSTON, TX 77210

OFFICIAL USE

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$2.80☐ Return Receipt (electronic) \$0.00☐ Certified Mail Restricted Delivery \$0.00☐ Adult Signature Required \$0.00☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.42

Total Postage and Fees \$7.67

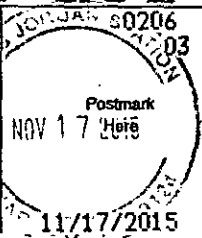
Sent To

Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, A

Occidental Permian, Ltd
P. O. Box 4294
Houston, TX 77210



7015 0640 0000 3691 8853

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

HOUSTON, TX 77252

OFFICIAL USE

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$2.80☐ Return Receipt (electronic) \$0.00☐ Certified Mail Restricted Delivery \$0.00☐ Adult Signature Required \$0.00☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.42

Total Postage and Fees \$7.67

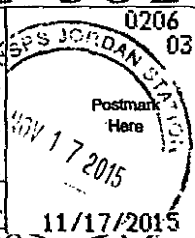
Sent To

Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, A

Mobil Producing TX & NM, Inc.
P. O. Box 2305
Houston, TX 77252-2305



7015 0640 0000 3691 8887

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

DALLAS, TX 75240

OFFICIAL USE

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$2.80☐ Return Receipt (electronic) \$0.00☐ Certified Mail Restricted Delivery \$0.00☐ Adult Signature Required \$0.00☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.42

Total Postage and Fees \$7.67

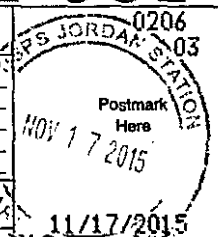
Sent To

Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, A

MRC Permian Company
c/o Matador Production Co
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240



7015 0640 0000 3691 8884

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

FORT WORTH, TX 76102

OFFICIAL USE

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$2.80☐ Return Receipt (electronic) \$0.00☐ Certified Mail Restricted Delivery \$0.00☐ Adult Signature Required \$0.00☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.42

Total Postage and Fees \$7.67

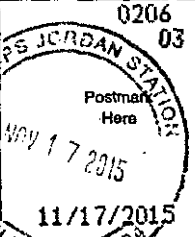
Sent To

Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, A

Seely Oil Co.
815 W 10th St
Ft Worth, TX 76102



7015 0640 0000 3691 8891

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

FORT WORTH, TX 76109

OFFICIAL USE

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$2.80☐ Return Receipt (electronic) \$0.00☐ Certified Mail Restricted Delivery \$0.00☐ Adult Signature Required \$0.00☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.42

Total Postage and Fees \$7.67

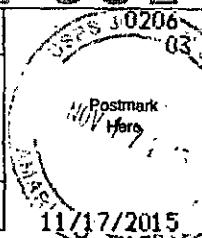
Sent To

Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, A

Clarence W. & Freida T. Stumhoffer
3108 Overton Park Drive, West
Ft Worth, TX 76109



7015 0640 0000 3691 8890

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

MIDLAND, TX 79701

OFFICIAL USE

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$2.80☐ Return Receipt (electronic) \$0.00☐ Certified Mail Restricted Delivery \$0.00☐ Adult Signature Required \$0.00☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.42

Total Postage and Fees \$7.67

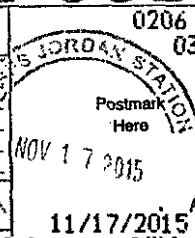
Sent To

Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, A

Scharbauer Cattle Company
303 W. Wall St.
Midland, TX 79701





C-108 Review Checklist:

Received W/4/2015 Add. Request: Y/6/2014 Reply Date: 2/5/2016 Suspended: _____ [Ver 15]ORDER TYPE: WFX / PMX / SWD Number: _____ Order Date: _____ Legacy Permits/Orders: _____Well No. K Well Name(s): TALON SWDAPI: 30-0 25-42761 Spud Date: T B V New or Old: NO (UIC Class II Primacy 03/07/1982)1890 FNLFootages 330 FNL Lot _____ or Unit B Sec 20 Tsp 18S Rge 34E County LEGGeneral Location: 220 miles SW / Hobbs Pool: SWD, DEVONIAN Pool No.: 66101BLM 100K Map: Hobbs Operator: operating, LLC OGRID: 308339 Contact: Patrick J. C. CatCOMPLIANCE RULE 5.9: Total Wells: 19 Inactive: 2 Fincl Assur: Y Compl. Order? NA IS 5.9 OK? Y Date: 2-05-12WELL FILE REVIEWED ☒ Current Status: Proposed -> Devonian - SILURIANWELL DIAGRAMS: NEW: Proposed ☒ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: N/APlanned Rehab Work to Well: *C-B-L Linen-Surf FNL

Well Construction Details

Sizes (in)
Borehole / PipeSetting
Depths (ft)Cement
Sx or CfCement Top and Determination
Method

Planned ___ or Existing ___ Surface

24 1/4 / 20"1850

Stage Tool

230YSURFACE / VISUAL

Planned ___ or Existing ___ Interm/Prod

17 1/2 / 13 3/8"4550480V3955SURFACE / VISUAL

Planned ___ or Existing ___ Interm/Prod

12 1/4 / 9 5/8"11100550W27153YSURFACE / VISUAL

Planned ___ or Existing ___ Prod/Liner

8 1/2 / 7 1/4"1490061010900 / *C-B-L

Planned ___ or Existing ___ Liner

Planned ___ or Existing ___ OH / PERF14900 / 15900

Inj Length

1000

Completion/Operation Details:

Injection Lithostratigraphic Units:

Depths (ft)

Injection or Confining
Units

Tops

Adjacent Unit: Litho. Struc. Por.

14820201482

Confining Unit: Litho. Struc. Por.

1482MS1482

Proposed Inj Interval TOP:

14900

Proposed Inj Interval BOTTOM:

15900

Confining Unit: Litho. Struc. Por.

Adjacent Unit: Litho. Struc. Por.

1482MS1482Drilled TD 15900 PBTD _____

NEW TD _____ NEW PBTD _____

NEW Open Hole ☒ or NEW Perfs ☐Tubing Size 4 1/2 in. Inter Coated? YProposed Packer Depth 14800 ftMin. Packer Depth 14800 (100-ft limit)Proposed Max. Surface Press. 2980 psiAdmin. Inj. Press. 2980 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? _____ BLM Sec Ord ☐ WIPP ☐ Noticed? _____ Salt/Salado T: 1483 B: 307 NW: Cliff House fm _____FRESH WATER: Aquifer Guadalupe Max Depth 130' HYDRO AFFIRM STATEMENT By Qualified Person ☒NMOSE Basin: LEG CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? 7 FW Analysis YDisposal Fluid: Formation Source(s) Delaware, Wolfcamp, 1450 Analysis? Y On Lease ☐ Operator Only ☐ or Commercial ☒Disposal Int: Inject Rate (Avg/Max BWPD): 15K/25K Protectable Waters? _____ Source: _____ System: Closed ☒ or Open ☐HC Potential: Producing Interval? NA Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map ☐AOR Wells: 1/2-M Radius Map? Y Well List? Y Total No. Wells Penetrating Interval: 0 Horizontals? 0Penetrating Wells: No. Active Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____Penetrating Wells: No. P&A Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____NOTICE: Newspaper Date 11/17 Mineral Owner Shawmut Surface Owner Kenneth Smith, Inc N. Date 11/17RULE 26.7(A): Identified Tracts? Y Affected Persons: COG, Matador, Oxy, Stambaugh N. Date 11/17

Order Conditions: Issues: _____

Add Order Cond: _____

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Wednesday, January 06, 2016 1:13 PM
To: Bill Prichard
Cc: Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Lowe, Leonard, EMNRD
Subject: OWL SWD Operating Talon SWD Well No.1 Lea Co.

Billy:

I have reviewed the OWL SWD Operating Talon SWD Well No.1.

The modification for this well is that OWL will be required to run a 4-1/2 tubing in the well.

OWL will be expected to resubmit a revised drawing and casing and cement specs with the revised tubing requirement.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division

1220 South St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448 F. 505.476.3462

Michael.mcmillan@state.nm.us

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
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-103
Revised July 18, 2013

SUNDRY NOTICES AND REPORTS ON WELLS. (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-42761 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator OWL SWD Operating, LLC ✓		6. State Oil & Gas Lease No.
3. Address of Operator 8214 Westchester Drive, Suite 850, Dallas, TX 75235		7. Lease Name or Unit Agreement Name Talon SWD ✓
4. Well Location Unit Letter E 1880 feet from the North line and 330 feet from the West line Section 20 Township 18S Range 34E NMPM Lea County ✓		8. Well Number 1 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4064 GL		9. OGRID Number 308339
		10. Pool name or Wildcat Devonian - Silurian

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

At the request of the NMOC Engineering Bureau, OWL SWD Operating, LLC proposes to change the tubing size for this proposed SWD well from 5-1/2" to 4-1/2".

See revised wellbore diagram attached.

Spud Date:

Rig Release Date:

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

SIGNATURE

Billy E. Prichard

TITLE Agent for OWL SWD Operating, LLC

DATE 1/18/16

Type or print name Billy E. Prichard

E-mail address: billy@pwllc.net

PHONE: 432-934-7680

For State Use Only

APPROVED BY:

[Signature]

TITLE

Petroleum Engineer

DATE

01/29/16

Conditions of Approval (if any):

JAN 29 2016

Affidavit of Publication

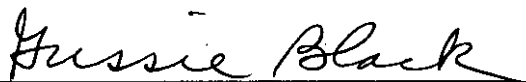
STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

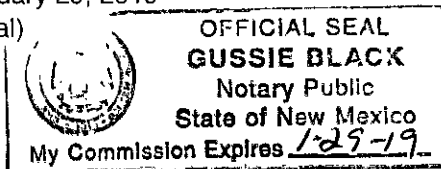
Beginning with the issue dated
November 17, 2015
and ending with the issue dated
November 17, 2015.


Publisher

Sworn and subscribed to before me this
17th day of November 2015.


Business Manager

My commission expires
January 29, 2019
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL NOTICE November 17, 2015

OWL SWD Operating, LLC
8214 Westchester Drive
Suite 850, Dallas, TX 75255
has filed form C108
(Application for Authorization
to Inject) with the New
Mexico Oil Conservator
Division seeking
administrative approval to
the drilling and conversion to
commercial salt water
disposal at the Talon SWD
#1, API # 30-025-42761
1880 FNL X 330 FWL, Uni
Letter "E", Section 20, T18S
R34E, Lea County, New
Mexico. The proposed
disposal interval is the
Devonian - Silurian
formations through oper
hole from 14,900' to 15,900'.
Disposal fluid would be
produced water from
producing oil and gas wells
in the area. Anticipated
disposal volume is 15,000
BWPD with a maximum
disposal volume of 25,000
BWPD. Anticipated disposa
pressure is 0 (zero) psi with
a maximum disposa
pressure of 2980 psi. The
well is located approximately
6.5 miles southwest of
Buckeye, New Mexico.

All interested parties
opposing the
aforementioned must file
objections with the New
Mexico Oil Conservator
Division, 1220 South St
Francis Drive, Santa Fe
New Mexico 87505 within 15
days. Additional information
can be obtained by
contacting Billy E. Prichard
at 432-934-7680.

#30490

02107812

00166471

BILLY E./SHARON PRICHARD
PUEBLO WEST LLC
125 GREENHOUSE VILLAGE
DECATUR, TX 76234