Internation	s210 75) 748-9720 NM 8750 5) 334-6170 7e, NM 87505 05) 476-3462 <b>DN FOI</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100</b> <b>100100</b>	APR 29 2017 APR 29 2017 APR 29 2017 P BECEIVI P Range 34 E P Range 12. Well Type 5 17. Proposed Depth 16,000' DTE Dist op system in lieu of 21. Casing Size	Oil Con Oil Con 1220 Sou Santa Santa CODRILL, RE-EN Santa Derating, LLC er Dr., Ste.850, X 75255 * Property N Limestone 7: Surface Lo Lot Idn Feet fin 10 * Proposed Botton Lot Idn Feet fin 9: Pool Inform Pool Name SWD; Devonian Additional Well I 13: Cable/R R 18: Forma Devon ance from nearest fresh water > 19 f lined pits	servati E-F uth St. CC a Fe, NN F NTER, DI VTER, DI vcation om N/S Line 48' North m Hole Location om N/S Line mation ian otary tion ian cement Progra	Feet From 14. Lease Type P 14. Lease Type P 19. Contractor Sidewinder Distar	CK, OR AL Create CK, OR AL Create CK, OR AL COGRID Nu 308339 0-025- P E/W Line E/W Line 15. Ice to nearest surfa	Well pool DD A ZONE umber 2534 Well No. 1 County Lea County Lea Pool Code 96101 Ground Level Elevation 3502' <sup>20</sup> Spud Date 6/15/2015 ace water n/a
10       Kio Brazos Koad, Aztec, F         100       Kio Brazos Koad, Aztec, F         100       Kio Brazos Koad, Aztec, F         100       Kio Brazos Koad, Aztec, F         120       S. St. Francis Dr., Santa F         120       Section         11       Section         11       Work Type         N       16         11       Work Type         N       16         11       Work Type         N       16         10       Surface         20       11         11       We will be using a         Type       Hol         Surface       20         11       12         12       13         14       14         N       15         Surface       20         12       13         14       14         N       15         15       15         16       12 <th>NM 87401 DS) 334-6170 ·e. NM 87505 DS) 476-3462 ON FOI TOWNShip 23 S TOWNShip closed-loog le Size</th> <th>APR 2.9 201 APR 2.9 201 PECENT Operator Name Owl SWD Op 8214 Westchesto Dallas, T. PRange 34 E PRange 12. Well Type S 17. Proposed Depth 16,000' DTE Dister Op system in lieu of 21 Casing Size</th> <th>3       1220 Sou         Santa       Santa         FO DRILL, RE-EN       Santa         Santa       Santa         Serating, LLC       Property N         Limestone       <sup>3</sup> Property N         Surface Lo       <sup>7</sup> Surface Lo         Lot Idn       Feet fr         Lot Idn       Feet fr         9. Pool Inform         Pool Name         SWD; Devonian         Additional Well I         13. Cable/R         18. Forma         Devon         ance from nearest fresh water         &gt; flined pits         Proposed Casing and         Casing Weight/ft</th> <th>uth St.       CC         a Fe, NN       F         a Fe, NN       F         VTER, DL       Image: Comparison of the second s</th> <th>Pret From Feet From 1663' Feet From 1663' Feet From 14. Lease Type P <sup>14.</sup> Lease Type P <sup>19.</sup> Contractor Sidewinder Distar</th> <th>Add New Create CK, OR Al 2 OGRID Nu 308339 0-025- API Num E/W Line E/W Line</th> <th>DD A ZONE mber DD A ZONE mber 2 5 3 4 Well No. 1 County Lea County Lea Pool Code 96101 Ground Level Elevation 3502' <sup>20</sup> Spud Date 6/15/2015 ace water n/a</th>	NM 87401 DS) 334-6170 ·e. NM 87505 DS) 476-3462 ON FOI TOWNShip 23 S TOWNShip closed-loog le Size	APR 2.9 201 APR 2.9 201 PECENT Operator Name Owl SWD Op 8214 Westchesto Dallas, T. PRange 34 E PRange 12. Well Type S 17. Proposed Depth 16,000' DTE Dister Op system in lieu of 21 Casing Size	3       1220 Sou         Santa       Santa         FO DRILL, RE-EN       Santa         Santa       Santa         Serating, LLC       Property N         Limestone <sup>3</sup> Property N         Surface Lo <sup>7</sup> Surface Lo         Lot Idn       Feet fr         Lot Idn       Feet fr         9. Pool Inform         Pool Name         SWD; Devonian         Additional Well I         13. Cable/R         18. Forma         Devon         ance from nearest fresh water         > flined pits         Proposed Casing and         Casing Weight/ft	uth St.       CC         a Fe, NN       F         a Fe, NN       F         VTER, DL       Image: Comparison of the second s	Pret From Feet From 1663' Feet From 1663' Feet From 14. Lease Type P <sup>14.</sup> Lease Type P <sup>19.</sup> Contractor Sidewinder Distar	Add New Create CK, OR Al 2 OGRID Nu 308339 0-025- API Num E/W Line E/W Line	DD A ZONE mber DD A ZONE mber 2 5 3 4 Well No. 1 County Lea County Lea Pool Code 96101 Ground Level Elevation 3502' <sup>20</sup> Spud Date 6/15/2015 ace water n/a
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3       Property Code         3       1         UL - Lot       Section         C       18         UL - Lot       Section         III.       Work Type         N       N         III.       Work Type         N       16. Multiple         N       Pepth to Ground water         ~205'       We will be using a         Type       Hol         Surface       20         ntermed 1       14         Ptermed 2       11         L.1	Township 23 S Township closed-loo	P Range 34 E P Range 12. Well Type 13. Proposed Depth 16,000' DTE Dists Dop system in lieu of Casing Size	Address     berating, LLC er Dr., Ste.850, X 75255      Property N Limestone      T. Surface Lo      Lot Idn     Feet fr      Lot Idn     Feet fr      Proposed Bottor      Lot Idn     Feet fr      Pool Inform      Pool Name      SWD; Devonian      Additional Well I	lame e SWD ocation om N/S Line 48' North m Hole Location om N/S Line mation mation ian well 1 mile Cement Progra	Feet From 1663' Feet From 14. Lease Type P 19. Contractor Sidewinder Distar	COR OK AN 2 OGRID Nu 308339 0-025- E/W Line E/W Line E/W Line	County Lea County Lea County Lea Pool Code 96101 ~ Ground Level Elevation 3502' <sup>20.</sup> Spud Date 6/15/2015 ace water n/a
Property Code         3       Property Code         UL - Lot       Section         C       18         UL - Lot       Section         III - Work Type       N	Township 23 S Township closed-loor le Size	8214 Westchest Dallas, T p Range 34 E p Range <sup>12.</sup> Well Type S <sup>17.</sup> Proposed Depth 16,000' DTE Dist op system in lieu ( 21 Casing Size	er Dr., Ste.850, X 75255 <sup>1</sup> Property N Limestone <sup>7</sup> Surface Lo <sup>7</sup> Surface Lo <sup>7</sup> Surface Lo <sup>7</sup> Surface Lo <sup>7</sup> Oposed Botton <sup>8</sup> Proposed Botton <sup>9</sup> Pool Inforn Pool Name SWD; Devonian Additional Well I <sup>13</sup> Cable/R R <sup>14</sup> Forma Devon ance from nearest fresh water > <sup>15</sup> of lined pits	lame e SWD cation oran oran M/S Line 48' North m Hole Location oran N/S Line mation information otary tion iian well 1 mile Cement Progra	Feet From       1663'       Feet From       Image: state strate st	D-025- E/W Line E/W Line	County Lea County Lea Pool Code 96101 Ground Level Elevation 3502' <sup>20.</sup> Spud Date 6/15/2015 ace water n/a
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UL - Lot Section UL - Lot Section <sup>11.</sup> Work Type N <sup>16.</sup> Multiple N lepth to Ground water ~205' ]We will be using a Type Hol Surface 2( ntermed 1 14 ptermed 2 1; <u>L + A+5 F</u> , jsp. Lnr 9.25" hol	closed-loo	p Range P Rang	Lot Idn Feet fr Pool Inform Pool Name SWD; Devonian Additional Well I <sup>13.</sup> Cable/R R 1 <sup>3.</sup> Cable/R R 1 <sup>8.</sup> Forma Devon ance from nearest fresh water > 1 of lined pits Proposed Casing and Casing Weight/ft	mation  mation  nformation  otary tion ian well 1 mile  Cement Progra	I <sup>14.</sup> Lease Type P <sup>19.</sup> Contractor Sidewinder Distar	E/W Line	County Pool Code 96101 Ground Level Elevation 3502' <sup>20.</sup> Spud Date 6/15/2015 ace water n/a
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<sup>11.</sup> Work Type         N <sup>16.</sup> Multiple         N         lepth to Ground water         ~205'         ]We will be using a         Type         Hol         Surface       20         ntermed 1       14         ntermed <sup>1</sup> 2       12         Lift Arts P.       16         jep. Lnr 9.25" hol	closed-loo	<sup>12.</sup> Well Type S <sup>17.</sup> Proposed Depth <b>16,000' DTC</b> Dist <b>0p system in lieu (</b> 21 Casing Size	Pool Name SWD; Devonian Additional Well I <sup>13.</sup> Cable/R R 18. Forma D Devon ance from nearest fresh water > tof lined pits Proposed Casing and Casing Weight/ft	nformation otary tion ian well 1 mile Cement Progra	<sup>14.</sup> Lease Type P <sup>19.</sup> Contractor Sidewinder Distar	is.	Pool Code 96101 ~ Ground Level Elevation 3502' <sup>20.</sup> Spud Date 6/15/2015 ace water n/a
<sup>11.</sup> Work Type         N <sup>16.</sup> Multiple         N         lepth to Ground water         ~205'         ]We will be using a         Type         Hol         Surface       20         ntermed 1       14         ntermed 2       13	closed-loo le Size	<sup>12.</sup> Well Type S <sup>17.</sup> Proposed Depth <b>16,000' DTE</b> Dist op system in lieu ( 21 Casing Size	Additional Well I <sup>13.</sup> Cable/R R <sup>13.</sup> Cable/R R <sup>18.</sup> Forma Devon ance from nearest fresh water > : of lined pits <sup>1.</sup> Proposed Casing and Casing Weight/ft	information otary tion ian well 1 mile Cement Progra	<sup>14.</sup> Lease Type P <sup>19.</sup> Contractor Sidewinder Distar	is.	Ground Level Elevation <b>3502'</b> <sup>20.</sup> Spud Date <b>6/15/2015</b> ace water <b>n/a</b>
It. Work Type         N         16. Multiple         N         tepth to Ground water         ~205'         JWe will be using a         Type         Hold         Surface       20         ntermed 1       14         htermed 2       13         L J Arts P       10         jsp. Lnr 9.25" hold	closed-loo	<sup>12.</sup> Well Type S <sup>17.</sup> Proposed Depth <b>16,000' DTC</b> Dist op system in lieu ( 21 Casing Size	13. Cable/R      R      18. Forma D Devon ance from nearest fresh water      of lined pits      Proposed Casing and Casing Weight/ft	otary tion ian well 1 mile Cement Progra	<sup>14.</sup> Lease Type P <sup>19.</sup> Contractor Sidewinder Distar	is.	Ground Level Elevation 3502' <sup>20.</sup> Spud Date 6/15/2015 ace water n/a
Image: Multiple         N         Depth to Ground water         ~205'         ]We will be using a         Type         Ho         Surface       20         ntermed 1       14         ntermed 2       13         L 1 Arts P.       14         jep. Lnr 9.25" hol	closed-loo le Size	<sup>17.</sup> Proposed Depth <b>16,000' DTE</b> Dist op system in lieu ( 21 Casing Size	The second	tion ian uwell 1 mile Cement Progra	Bidewinder Distar	ace to nearest surfa	<sup>20</sup> Spud Date 6/15/2015 ace water n/a
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We will be using a         Type       Ho         Surface       21         ntermed 1       14         ptermed 2       11         L + A+55 P       15         jsp. Lnr 9.25" hol	closed-loo	op system in lieu o 21 Casing Size	of lined pits • Proposed Casing and Casing Weight/ft	Cement Progra			n/a
Type         Ho           Surface         2l           ntermed 1         14           ntermed 2         13	le Size	21 Casing Size	Proposed Casing and Casing Weight/ft	Cement Progra	m		
Type         Ho           Surface         21           ntermed 1         14           ntermed 2         12           Line for the second sec	le Size	Casing Size	Casing Weight/ft				
Surface 20 ntermed 1 14 ntermed 2 1. LIAUS F jep. Lnr 9.25" hol	+	0.		Setting Dep	th Sacks	of Cement	Estimated TOC
ntermed 1 14 ntermed 2 1 <i>L I Arts F</i> jep. Lnr 9.25" hol	Surface 20.0"		75.0# K-55 BT&C	1000'	625	sx 'C'	Circ. to Surf.
ntermed <sup>-2</sup> 1 <i>L   Art5 f</i> jsp. Lnr 9.25" hol	4.5"	13.625"	88.2# Q-125 BT&C	88.2# Q-125 BT&C 5200'		'C' + excs	Circ. to Surf.
<u>- (. ; Ачб Я</u> <del>јбр</del> . Lnr 9.25'' hol	2.0"	10.75"	65.7# Q-125 BT&C	11,400'	1111 s	x 'H' + excs	Circ. to Surf.
μερ. Lnr 9.25 noi		Casi	ng/Cement Program: A	Additional Com	ments		14 700'-16 000'
	le, 7.625	47.1# L-80 @ 11,	100-14,700 W/ 032 SX H	,100/101 11,100			14,700-10,000
			Proposed Blowout Pr	evention Progra	1 <b>m</b>		
Iype			F000 prei	3500 psi TBD (Sch			chaffor (Hydril Equiv.)
						100 [35	charlery Hydrin Equiv.)
<sup>k</sup> I hereby certify that t est of my knowledge a	the informa and belief.	ation given above is	true and complete to the		OIL CONSERV	ATION DIV	ISION
further certify that I 9.15.14.9 (B) NMAC ignature:	have com [X], if appl	plied with 19.15.14 licable.	I.9 (A) NMAC [] and/or	Approved By:	A		
rinted name: Ben St	tone	0		Title: Petrole	um Engineer	/	
itle: Agent for Ov	wl Oil and	Gas, LLC		Approved Date:	04/29/15	Expiration Date	04/29/17
-mail Address: ben@	ຼືອsosconsເ	ulting.us		The Training and the second			
Date: 4/27/2	.015	Phone:	903-488-9850	Conditions of App	oroval Attached Sc	ee Attac	ched
					Condi	tions of	Approval

## CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-42534	OWL SWD Operating Inc	LIMESTONE SWD # 001

Applicable conditions of approval marked with XXXXXX

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## Administrative Orders Required

XXXXXXX	Will require administrative order for SWD prior to placing the well on injection
<b>a</b>	

## 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 1 - 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
Dite	· · · · · · · · · · · · · · · · · · ·

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
XXXXXXX	Must conduct MIT prior to any injection

Owl SWD Operating, LLC Limestone SWD Well No.1 1048' FNL & 1663' FWL Section 18, Twp 23-S, Rng 34-E Lea County, New Mexico

#### Well Program - New Drill

#### Objective: Drill new well for commercial salt water disposal into the Devonian formation.

#### 1. Geologic Information - Devonian Formation

This area of the Devonian consists of dolomites with some cherty domites characterized by intercrystalline and vugular porosity. Additional porosity can be found when the well bore encounters detrital carbonates interspersed throughout.

FORMATION DEPTHS					
Delaware Lime	4,970'				
Cherry Canyon	6,100'				
Brushy Canyon	8,530'				
Wolfcamp	11,320'				
Atoka	12,030'				
Morrow	12,850'				
Mississippian Lime	13,965'				
Woodford	14,375'				
Devonian	14,580'				
Ellenburger	16,280'				

#### Estimated Formation Tops:

### 2. Drilling Procedure

- a. MIRU drilling rig and associated equipment. Set up H2S wind direction indicators; brief all personnel on Emergency Evacuation Routes.
- b. All contractors conduct safety meeting prior to current task. All equipment inspected daily. Repair / replace as required.
- c. Well spud operations commence.
- d. Mud logger monitoring returns; cuttings & waste hauled to OCD permitted facility.
- e. After surface casing set/drilled; if H2S levels >20ppm detected, implement H2S Plan accordingly. (e.g., cease operations, shut in well, employ H2S safety trailer & personnel safety devices, install flare line, etc. - refer to plan.)
- f. Spills contained & cleaned up immediately. Repair or otherwise correct the situation within 48 hours before resuming operations. Notify OCD within 24 hours. Remediation started ASAP if required. Operator shall comply with 19.15.29 NMAC and 19.15.30 NMAC, as appropriate.
- g. Sundry forms filed as needed casing, cement, etc. operations continue to completion.

#### Well Program - New Drill (cont.)

TYPE	HOLE SZ	CASING SZ	CSG WEIGHT	DEPTH	CEMENT	ESTIMATED TOC
Surface	20.0"	16.0"	75 lb/ft	1,000'	987	SURFACE
Intermediate I	14.75"	13.625"	68 lb/ft	5,200'	1,320	SURFACE
Intermediate 2	12.25"	10.75"	65.7 lb/ft	11,400'	2,068	SURFACE
Prod. Liner	9.0"	7.75"	46.1 lb/ft	11,100'-14,700'	727	11,100'
Tubing	NA	5-1/2"	20 lb/ft	14,600'	NA	NA

#### 3. Casing program - Casing designed as follows:

#### 4. Cementing Program:

Surface – LEAD 592 sx (13.5#; 1.758 ft^3/sk); TAIL 395 sx (14.8#; 1.341ft^3/sk); circulated to surface Ist Intermediate – LEAD 1127 sx (12.7#; 1.941 ft^3/sk); TAIL 193 sx (14.8#; 1.332 ft^3/sk) + excess; circulated to surface

2nd Intermediate - LEAD 1843 sx (11.9#; 2.448 ft^3/sk); TAIL 225 sx (14.2#; 1.267/ft^3/sk) + excess; circulated to surface

Prod Liner - 727 sx (14.2#; 1.271 ft^3/sk); TOC = 11,100'

5. **Pressure Control** - BOP diagram is attached to this application. All BOP and related equipment shall comply with well control requirements as described NMOCD rules and regulations. Minimum working pressure of the BOP and related equipment required for the drilling operations shall be 5000 psi. OCD will be notified a minimum of 4 hours prior to BOP pressure tests. The test shall be performed utilizing a test plug (no cup or J-packer). The results of the test shall be submitted to the OCD Artesia district office. Test shall be conducted at:

- a. Installation;
- b. after equipment or configuration changes;
- c. at 30 days from any previous test, and;
- d. anytime operations warrant, such as well conditions

DEPTH	MUD TYPE	WEIGHT	F۷	PV	YP	FL	Ph
0-1000'	FW Spud Mud	8.5-9.2	70-40	20	12	NC	10.0
1000'-5200'	Brine Water	9.8-10.2	28-32	NC	NC	NC	10.0
5200'-11400'	FW/Gel	8.7-9.0	28-32	NC	NC	NC	9.5-10.5
400'-   4700'	XCD Brine Mud	11.0-12.5	45-48	20	10	<5	9.5-10.5
14700'-16000'	FW Mud	8.4-8.6	28-30	NC	NC	NC	9.5-10.5

#### 6. Mud Program & Monitoring - Mud will be balanced for all operations as follows:

#### Well Program - New Drill (cont.)

Mud and all cuttings monitored w/ cuttings recovered for disposal. Returns shall be visually and electronically monitored. In the event of H2S, mud shall be adjusted appropriately by weight and H2S scavengers.

7. Auxiliary Well Control and Monitoring - Hydraulic remote BOP operation, mudlogging to monitor returns.

8.  $H_2S$  Safety - There is a low risk of H2S in this area. The operator will comply with the provisions of 19.15.11 NMAC. All personnel will wear monitoring devices and a wind direction sock will be placed on location.

9. Logging, Coring and Testing – Owl SWD Operating, LLC expects to run standard openhole porosity logs from TD to approximately 11,000'. No corings or drill stem tests will be conducted. (The well may potentially be step rate tested in the future if additional injection pressures are required.) Mudlogging is expected to adequately identify full Devonian exposure.

10. Potential Hazards - No abnormal pressures or temperatures are expected.

No loss of circulation is expected to occur with the exception of drilling into the target disposal zone. All personnel will be familiar with the safe operation of the equipment being used to drill this well.

The maximum anticipated bottom hole pressure is 8500 psi and the maximum anticipated bottom hole temperature is 180 F.

11. Waste Management - All drill cuttings and other wastes associated with and drilling operations will be transported to a CRI facility permitted by the Environmental Bureau of the New Mexico Oil Conservation Division.

12. Anticipated Start Date - Upon approval of all permits for SWD, operations would begin within 30 days. Completion of the well operations will take six to seven weeks. Installation of the tank battery, berms, plumbing and other and associated equipment would be occurring during the same interval. In any event, it is not expected for the construction phase of the project to last more than 60 days, depending on availability of contractors and equipment. At the time of this submittal, and subject to the availability of the drilling contractor, the anticipated start date is:

#### June 15, 2015

13. Configure for Salt Water Disposal - Prior to commencing any work, an NOI sundry(ies) will be submitted to configure the well for SWD and will detail the completion workover including all work otherwise described above, any change to the procedure noted herein and to perform mechanical integrity pressure test per OCD test procedures. (Notify NMOCD 24 hours prior.) The casing/tubing annulus will be monitored for communication with injection fluid or loss of casing integrity. Anticipated daily maximum volume is 30,000 bpd and average of 20,000 bpd at a maximum surface injection pressure of 2940 psi through 5.5" 20# tubing and below a nickel-plated packer.



# HYDRIL BOP & CLOSED LOOP - SIDEWINDER RIG 224

## BOPE 5K & Closed-Loop Schematic (w/ 13.375" Rams)

## Standard Drill - Operating Procedure & Site Setup

# ALL OPERATIONS CONDUCTED WITHIN EXISTING PAD SITE NOT EXCEEDING SURVEYED SITE. ORIENTATION PER BEST FIT.

1. MIRU Drilling and drilling support contractors / equipment.

2. Set up H2S wind direction indicators; brief all personnel on Emergency Evacuation Routes.

3. All contractors conduct safety meeting prior to current task.

4. If H2S levels >20ppm detected, implement H2S Plan accordingly. (e.g., cease operations, shut in well, employ H2S safety trailer & personnel safety devices, install flare line, etc. - refer to plan.)

5. All equipment inspected daily. Repair / replace as required.

6. Mud logger monitoring returns; cuttings & waste hauled to specified facility. CRI - LEA COUNTY

7. Spills contained & cleaned up immediately. Repair or otherwise correct the situation within 48 hours before resuming operations. Notify OCD within 24 hours. Remediation started ASAP if required. Operator shall comply with 19.15.29 NMAC and 19.15.30 NMAC, as appropriate.

8. Sundry forms filed as needed - casing, cement, etc. - operations continue to completion.



#### TYPICAL LOCATION SETUP (V Door North)



