

August 3, 2015

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Mr. David Catanach, Director

Re: Request for Casing/Tubing design modifications for the McCloy SWD No.1 as specified in division order SWD-1549; subject well to be located in Section 15, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Mr. Catanach,

SWD-1549 was recently issued for Owl SWD Operating, LLC's McCloy SWD No.1. The order was issued after Owl negotiated a settlement with two offset operators and the New Mexico State Land Office whereby the proposed interval would be reduced to 300 feet of the Delaware from 5400 feet to 5700 feet.

As this interval is considerably smaller than originally designed, Owl's consulting engineers with Longquist & Company, LLC of Austin, Texas, reconsidered the well design and configured it with larger pipe, sized to maximize the efficiency and potential of the well.

In particular, SWD-1549 specifies 3-1/2" or smaller tubing. Longquist's new design calls for 5-1/2" tubing to maximize the capacity of the smaller interval.

Therefore, Owl SWD Operating, LLC respectfully requests that the SWD-1549 be modified to allow for the larger 5-1/2" tubing in its salt water disposal well. An updated wellbore diagram is attached to this request.

If you or your staff has any questions, please do not hesitate to call or email me.

Best regards,



Ben Stone, Partner
SOS Consulting, LLC
Agent for Owl SWD Operating, LLC

Cc: Application file



WELL SCHEMATIC - PROPOSED
McCloy SWD Well No.1

API 30-025-00000 (TBD)
 1695' FSL & 430' FWL, SEC. 15-T24S-R32E
 LEA COUNTY, NEW MEXICO

Spud Date: 9/01/2015

Annulus Monitored
 or open to atmosphere

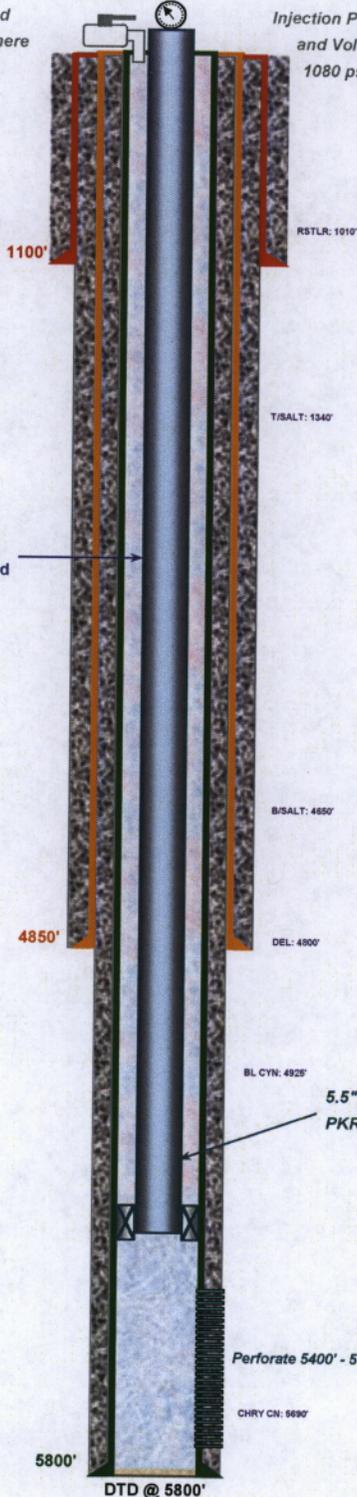
Injection Pressure Regulated
 and Volumes Reported
 1080 psi Max Surface

Owl SWD Operating, LLC

Spud and Complete well as described in APD.
 Run CNL or Equiv. Logs from TD to 4800'.
 Run & Set 9.625" Cement to surface.
 Run Porosity Log - Perforate selected intervals.
 Run PC Tubing and PKR - Conduct MIT.
 Commence Disposal Operations per SWD-1549 Order.

Surface Casing

20.0", 106.5# Csg. (24.0" Hole) @ 1100'
 1244 sx Cls 'C' + Addtvs - 100% xss - Circ. to Surface



Annulus Loaded
 w/ Inert Packer Fluid

Intermediate Casing

13.375", 68.0# Csg. (17.5" Hole) @ 4850'
 2660 sx 'C' + Additives - 100% xss - Circ. to Surface

5.5" 17.0# IC Tubing
 PKR 5305'+

Long String Casing

9.625", 47.0# Csg - Surface to 5800'
 1815 sx w/ 50% excess - Circulate to Surface

All Cement Volumes May Be Adjusted to Caliper.

Perforate 5400' - 5700' (Based on Log Analysis)

5800'
 DTD @ 5800'



Drawn by: Ben Stone, Revised 8/03/2015