

Additional Information

AOR Analysis for Extension 9/21/20

LONQUIST & CO. LLC

AUSTIN
HOUSTON

PETROLEUM
ENGINEERS

ENERGY
ADVISORS

WICHITA
CALGARY

www.lonquist.com

September 21, 2020

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division District IV
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
(505) 476-3440

Subject: Request for Extension of SWD-1687 pertaining to the Brininstool SWD Well No. 4 located in Unit O of Section 26, Township 23S, Range 33E, NMPM, Lea County, NM


To Whom It May Concern:

Please find the following items to support our extension request for the Brininstool SWD Well No. 4:

- One-mile AOR well map and lists
- One-mile affected parties map and list
- Proof of notice for additional affected parties since original application
- Proof of delivery for additional affected parties (email).

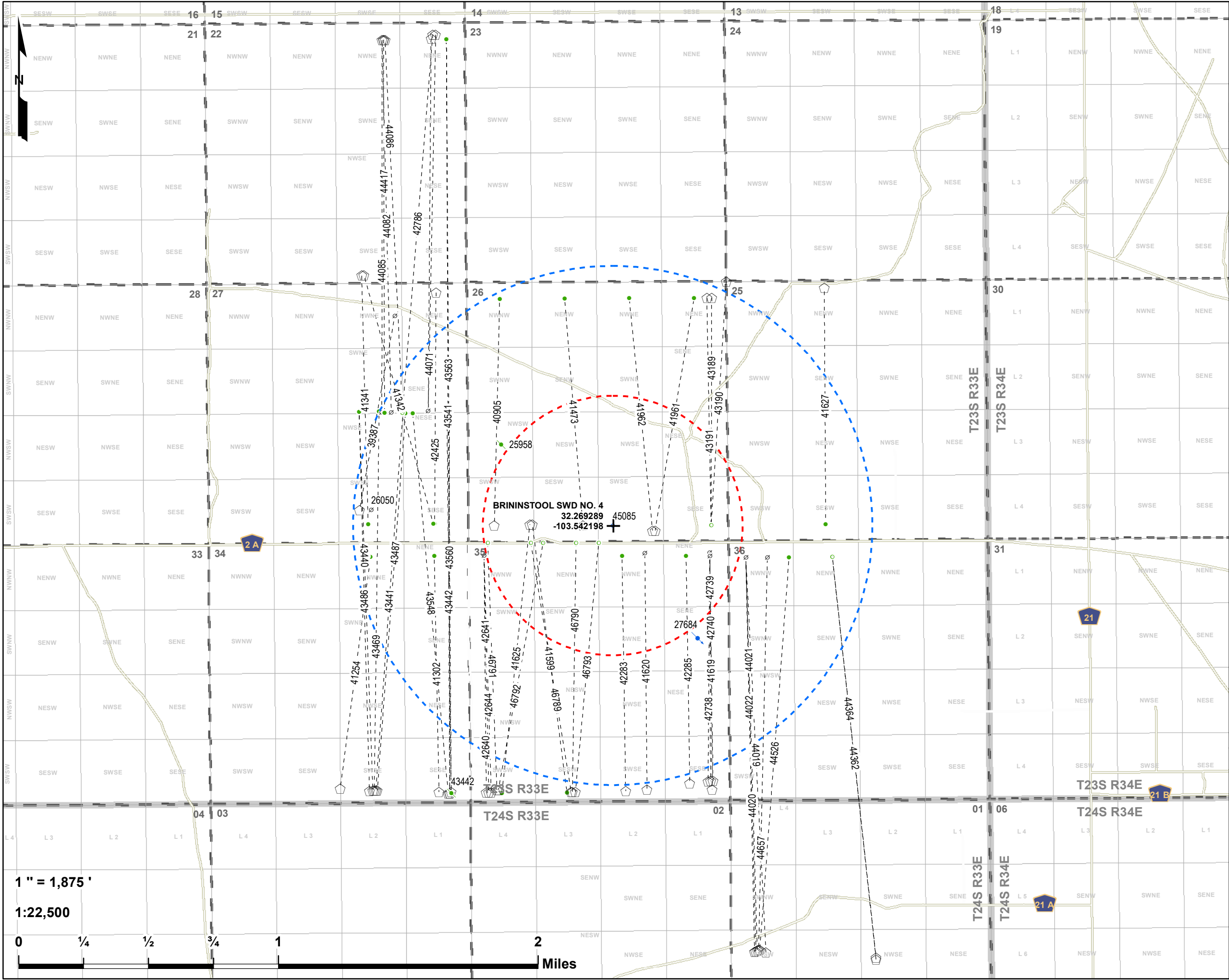
Please note that the US Postal Service still shows the notice as being in transit, but we were able to reach Hughes Properties, the current surface owner, via email. If you have any questions, please do not hesitate to call or email me.

Regards,



Ramona K. Hovey
Sr. Petroleum Engineer
Lonquist & Co., LLC

(512) 600-1777
ramona@lonquist.com



Brininstool SWD No. 4

1 Mile Area of Review

Oilfield Water Logistics

Lea Co., NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)

Drawn by: ASG

Date: 8/12/2020

Approved by: ELR

LONQUIST & CO. LLC

PETROLEUM
ENGINEERS

ENERGY
ADVISORS

AUSTIN · HOUSTON · WICHITA · DENVER · CALGARY

✚ Brininstool SWD No. 4 SHL

1/2-Mile

1-Mile

QQ-Section (NM-PLSS 2nd Div.)

Section (NM-PLSS 1st Div.)

Township/Range (NM-PLSS)

Lateral

API (30-025-...) SHL Status-Type (Count)

Horizontal Surface Location (55)

Active - SWD (1)

Cancelled/Abandoned Location (1)

Permitted - SWD (1)

Plugged/Site Released - Oil (2)

API (30-025-...) BHL Status-Type (Count)

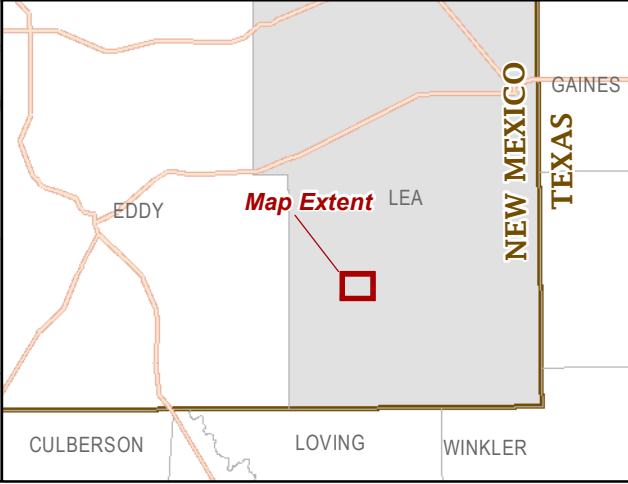
Active - Oil (28)

Cancelled/Abandoned Location (15)

Permitted - Oil (11)

Plugged/Site Released - Oil (1)

Source: Well SHL Data - NM-OCD (2020)

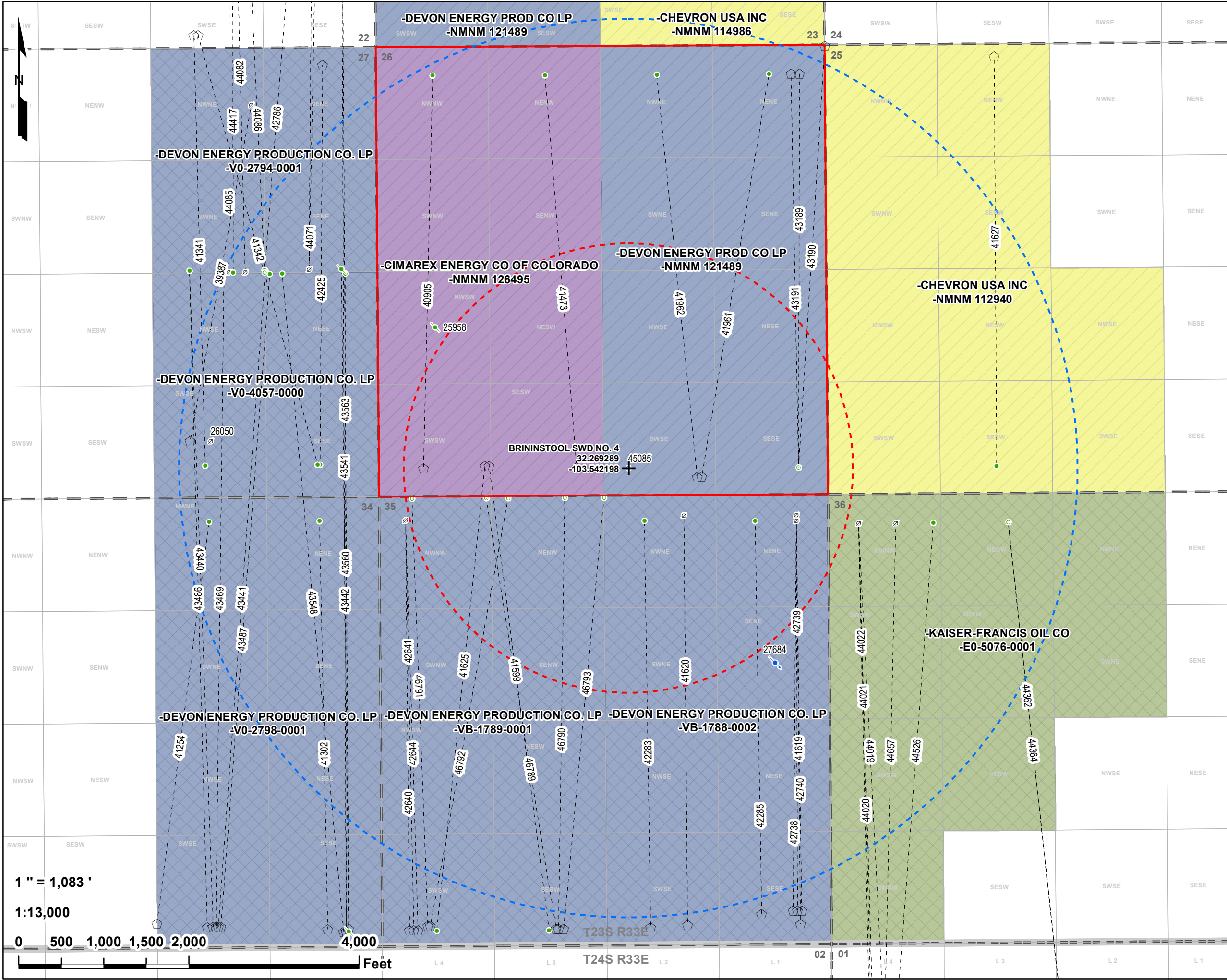


Brininstool SWD No. 4
1 Mile Area of Review List

API (30-025-...)	WELL NAME	WELL TYPE	STATUS	OPERATOR	TVD (FT.)	LATITUDE (NAD83 DD)	LONGITUDE (NAD83 DD)	DATE DRILLED
3002525958	FEDERAL H #001	O	P	BP AMERICA PRODUCTION COMPANY	15807	32.2738762000	-103.549507100	1/1/1900
3002526050	PRE-ONGARD WELL #001	O	C	PRE-ONGARD WELL OPERATOR	-	32.27026180520	-103.55807338500	12/31/9999
3002527684	TOPHAT AJQ STATE #001	S	A	OWL SWD OPERATING, LLC	15273	32.2629585000	-103.536689800	2/9/1982
3002539387	THISTLE UNIT #011	G	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2702624240	-103.558853673	12/31/9999
3002540905	W BELL LAKE 26 FEDERAL #001H	O	A	CIMAREX ENERGY CO. OF COLORADO	11322	32.2693405000	-103.549987800	4/4/2013
3002541254	THISTLE UNIT #049H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11190	32.2546959000	-103.560249300	12/14/2013
3002541302	THISTLE UNIT #050H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11288	32.2544632000	-103.553756700	1/12/2014
3002541341	THISTLE UNIT #057H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11301	32.2833710000	-103.558601400	11/16/2013
3002541342	THISTLE UNIT #058H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11265	32.2833710000	-103.558441200	12/23/2013
3002541473	W BELL LAKE 26 FEDERAL #002H	O	A	CIMAREX ENERGY CO. OF COLORADO	11330	32.2693253000	-103.544158900	8/25/2017
3002541599	SEA SNAKE 35 STATE #002H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11247	32.2544518000	-103.547271700	11/22/2014
3002541619	CERBERUS 35 STATE #001C	O	C	EOG RESOURCES INC	-	32.2545128000	-103.535781900	12/31/9999
3002541620	CERBERUS 35 STATE #002C	O	C	EOG RESOURCES INC	-	32.2545266344	-103.540075511	12/31/9999
3002541625	SEA SNAKE 35 STATE #001H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11290	32.2544518000	-103.547431900	10/13/2014
3002541627	BRININSTOOL 25 23 33 USA #002H	O	A	CHEVRON U S A INC	10961	32.2824974000	-103.528167700	2/11/2014
3002541961	COACHWHIP 26 FEDERAL #001H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11311	32.2689972000	-103.539413500	1/22/2015
3002541962	COACHWHIP 26 FEDERAL #002H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11280	32.2689972000	-103.539581300	12/23/2014
3002542283	SEA SNAKE 35 STATE #003H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11089	32.2544465993	-103.541479733	4/5/2015
3002542285	SEA SNAKE 35 STATE #004H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	11089	32.2548515409	-103.537254221	4/27/2015
3002542425	THISTLE UNIT #071H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	10509	32.2823800200	-103.553714580	4/7/2015
3002542640	SEA SNAKE 35 STATE #005C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2544215131	-103.550647452	12/31/9999
3002542641	SEA SNAKE 35 STATE #007C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2544212280	-103.550484917	12/31/9999
3002542644	SEA SNAKE 35 STATE #009C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2544209428	-103.550322383	12/31/9999
3002542738	SEA SNAKE 35 STATE #010C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2549633000	-103.536053300	12/31/9999
3002542739	SEA SNAKE 35 STATE #008C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2549630000	-103.535891600	12/31/9999
3002542740	SEA SNAKE 35 STATE #006C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2549626000	-103.535730000	12/31/9999
3002542785	THISTLE UNIT #111C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2968167000	-103.553616200	12/31/9999
3002542786	THISTLE UNIT #126H	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2968170000	-103.553810300	3/15/2018
3002543189	COACHWHIP 26 FEDERAL #004H	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2819878000	-103.535578400	12/31/9999
3002543190	COACHWHIP 26 FEDERAL #006H	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2828929000	-103.534608300	12/31/9999
3002543191	COACHWHIP 26 FEDERAL #008H	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2819886000	-103.535902000	12/31/9999
3002543440	THISTLE UNIT #112H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	10100	32.2545706000	-103.558107600	1/13/2017
3002543441	THISTLE UNIT #113H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	9545	32.25457030000	-103.55791370000	2/16/2017
3002543442	THISTLE UNIT #138	O	P	DEVON ENERGY PRODUCTION COMPANY, LP	1355	32.25438990000	-103.55295920000	1/27/2017
3002543469	THISTLE UNIT #254H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	9713	32.25457050000	-103.55801060000	1/31/2017
3002543486	DEVON ENERGY PRODUCTION COMPANY, LP	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2545624688	-103.558334124	
3002543487	THISTLE UNIT #137H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	10093	32.2545701000	-103.557816600	3/3/2017
3002543541	THISTLE UNIT #102C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2543900000	-103.553056000	12/31/9999
3002543548	THISTLE UNIT #117H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	9729	32.2543901000	-103.553153000	3/3/2017
3002543560	THISTLE UNIT #138Y	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	10107	32.25439000000	-103.55305600000	1/31/2017
3002543563	THISTLE UNIT #102H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	9617	32.2544723000	-103.552959200	3/26/2017
3002544019	BELL LAKE UNIT SOUTH #119C	O	C	KAISER-FRANCIS OIL CO	-	32.2453770000	-103.532331000	12/31/9999
3002544020	BELL LAKE UNIT SOUTH #219H	O	A	KAISER-FRANCIS OIL CO	10991	32.24544000000	-103.53299000000	1/11/2018
3002544021	BELL LAKE UNIT SOUTH #319H	O	A	KAISER-FRANCIS OIL CO	12012	32.24547000000	-103.53290000000	2/7/2018
3002544022	BELL LAKE UNIT SOUTH #419H	O	A	KAISER-FRANCIS OIL CO	12368	32.2674480000	-103.533464000	3/2/2018
3002544071	DEVON ENERGY PRODUCTION COMPANY, LP	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2965981530	-103.553917126	-

Brininstool SWD No. 4
1 Mile Area of Review List

3002544082	THISTLE UNIT #165C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2965398000	-103.557046100	12/31/9999
3002544085	THISTLE UNIT #100C	O	C	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2965398000	-103.557143100	12/31/9999
3002544086	THISTLE UNIT #128H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	9745	32.2965396000	-103.556949000	12/13/2017
3002544362	BELL LAKE UNIT SOUTH #221H	O	N	KAISER-FRANCIS OIL CO	-	32.2449134000	-103.525089000	12/31/9999
3002544364	BELL LAKE UNIT SOUTH #421H	O	N	KAISER-FRANCIS OIL CO	-	32.2450236000	-103.525089700	12/31/9999
3002544417	THISTLE UNIT #100H	O	A	DEVON ENERGY PRODUCTION COMPANY, LP	10682	32.29653980000	-103.55704610000	12/18/2017
3002544526	BELL LAKE UNIT SOUTH #220H	O	A	KAISER-FRANCIS OIL CO	10956	32.2674508000	-103.530617800	4/13/2018
3002544657	KAISER-FRANCIS OIL CO	O	C	KAISER-FRANCIS OIL CO	-	32.2455004559	-103.532811964	-
3002545085	BRININSTOOL SWD #004	S	N	OWL SWD OPERATING, LLC	-	32.2692890000	-103.542198000	12/31/9999
3002546789	DEVON ENERGY PRODUCTION COMPANY, LP	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2544229645	-103.545073112	-
3002546790	DEVON ENERGY PRODUCTION COMPANY, LP	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2544229648	-103.544981557	-
3002546791	DEVON ENERGY PRODUCTION COMPANY, LP	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2545564653	-103.549948413	-
3002546792	DEVON ENERGY PRODUCTION COMPANY, LP	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2545564656	-103.549849228	-
3002546793	DEVON ENERGY PRODUCTION COMPANY, LP	O	N	DEVON ENERGY PRODUCTION COMPANY, LP	-	32.2544229653	-103.544783188	-



Brininstool SWD No. 4

1 Mile Lessee - BLM & SLO

Oilfield Water Logistics

Lea Co., NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)

Drawn by: ASG

Date: 8/12/2020

Approved by: ELR

LONGUIST & CO. LLC

PETROLEUM ENGINEERS

ENERGY ADVISORS

AUSTIN · HOUSTON · WICHITA · DENVER · CALGARY

+

Brininstool SWD No. 4 SHL

1/2-Mile

1-Mile

BLM

SLO

QQ-Section (NM-PLSS 2nd Div.)

Section (NM-PLSS 1st Div.)

Township/Range (NM-PLSS)

Lateral

API (30-025-...) SHL Status-Type (Count)

Horizontal Surface Location (55)

Active - SWD (1)

Cancelled/Abandoned Location (1)

Permitted - SWD (1)

Plugged/Site Released - Oil (2)

API (30-025-...) BHL Status-Type (Count)

Active - Oil (28)

Cancelled/Abandoned Location (15)

Permitted - Oil (11)

Plugged/Site Released - Oil (1)

Lessee

Lessee

-CHEVRON USA INC; -NMNM 112940

-CHEVRON USA INC; -NMNM 114986

-CIMAREX ENERGY CO OF COLORADO; -NMNM 126495

-DEVON ENERGY PROD CO LP; -NMNM 121489

-DEVON ENERGY PRODUCTION CO. LP; -V0-2794-0001

-DEVON ENERGY PRODUCTION CO. LP; -V0-2798-0001

-DEVON ENERGY PRODUCTION CO. LP; -V0-4057-0000

-DEVON ENERGY PRODUCTION CO. LP; -VB-1788-0002

-DEVON ENERGY PRODUCTION CO. LP; -VB-1789-0001

-DEVON ENERGY PRODUCTION CO. LP; -VB-1789-0002

-KAISER-FRANCIS OIL CO; -E0-5076-0001

Surface Owner

HUGHES PROPERTIES LLC

Source: Well SHL Data - NM-OCd (2020)

(NM - State Land Office Data Access - 2020)

Map Extent

NEW MEXICO

TEXAS

LEA

EDDY

GAINES

CULBERSON

LOVING

WINKLER

Brininstool SWD No. 4
1 Mile Offset Operators and Lessees List

S/T/R	QQ UNIT LETTER(S)	OPERATOR	MINERAL LESSEE	MINERAL OWNER	SURFACE OWNER	ADDRESS 1	ADDRESS 2
23/T23S/R33E	A,B,G,H,I,,JO,P	CHEVRON U S A INC	-	-		6301 Deauville Blvd	Midland, TX 79706
	C,D,E,F,L,K,M,N	DEVON ENERGY PRODUCTION COMPANY, LP	-	-		333 West Sheridan Ave.	Oklahoma City, OK 73102
25/T23S/R33E	C,F,K,N	CHEVRON U S A INC	-	-		6301 Deauville Blvd	Midland, TX 79706
	C,D,E,F,J,K,L,M,N,O	-	CHEVRON USA INC	-		6301 DEAUVILLE	MIDLAND TX 797062964
26/T23S/R33E	C,D,E,F,L,K,M,N	CIMAREX ENERGY CO. OF COLORADO	-	-		600 N. Marienfeld Street Suite 600	Midland, TX 79701
	A,B,G,H,I,,JO,P	DEVON ENERGY PRODUCTION COMPANY, LP	-	-		333 West Sheridan Ave.	Oklahoma City, OK 73102
	O	OWL SWD OPERATING, LLC	-	-		8201 Preston Road Suite 520	Dallas, TX 75225
27/T23S/R33E	ENTIRE SECTION	DEVON ENERGY PRODUCTION COMPANY, LP	-	-		333 West Sheridan Ave.	Oklahoma City, OK 73102
34/T23S/R33E	ENTIRE SECTION	DEVON ENERGY PRODUCTION COMPANY, LP	-	-		333 West Sheridan Ave.	Oklahoma City, OK 73102
35/T23S/R33E	ENTIRE SECTION	DEVON ENERGY PRODUCTION COMPANY, LP	-	-		333 West Sheridan Ave.	Oklahoma City, OK 73102
36/T23S/R33E	D,E,L,M,I	KAISER-FRANCIS OIL CO	-	-		P.O. Box 21468	Tulsa, OK 74121
	ENTIRE SECTION	-	KAISER-FRANCIS OIL CO	-		6733 S YALE AVE	TULSA, OK, 7413
Surface Owner	-	-	-	-	HUGHES PROPERTIES LLC	P.O. Box 5097	CARLSBAD NM. 88221

Brininstool SWD No. 4 Notice List - New Parties**Lea County, NM****OWL SWD Operating, LLC**

S/T/R	UNIT	REGULATORY	MAILING ADDRESS
		SURFACE OWNER	MAILING ADDRESS
		HUGHES PROPERTIES LLC	PO BOX 5097 CARLSBAD, NM 88221
		MINERAL LESSEE	MAILING ADDRESS
		N/A	
		OFFSET OPERATORS	MAILING ADDRESS
		N/A	
		OTHER PARTIES	MAILING ADDRESS

Notices were sent on 8/17/2020 and 9/2/2020 for the Brininstool extension application by mailing them a copy of the original Form C-108.

Sincerely,



Ramona K. Hovey
Sr. Petroleum Engineer / Lonquist & Co., LLC
For OWL SWD Operating, LLC

August 17, 2020

HUGHES PROPERTIES LLC
4501 Grandi Rd.
Carlsbad, NM 88220
(575) 308-8981

Subject: Brininstool SWD No. 4 Authorization to Inject - Extension

To Whom It May Concern:

Attached for your review is the approved Order and Form C-108, Application for Authorization to Inject, as originally submitted, for OWL SWD Operating, LLC's Brininstool SWD No. 1 well. OWL SWD Operating, LLC has applied for an extension for this order and therefore is required to notice any new surface land owner on which the well is located and new leasehold operator within a one-mile radius of the proposed well location from when the application was originally approved.

According to the New Mexico Oil Conservation Division, surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date in which this application was mailed to them.

Any questions should be directed towards OWL SWD Operating, LLC's agent, Lonquist & Co., LLC.

Regards,



Ramona K. Hovey
Sr. Petroleum Engineer
Lonquist & Co., LLC

(512) 600-1777
ramona@lonquist.com

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martínez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1687
August 14, 2017

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8 B NMAC, OWL SWD Operating, LLC (the "operator") seeks an administrative order for its Brininstool SWD Well No. 4 ("proposed well") with a location of 330 feet from the South line and 2350 from the East line, Unit O of Section 26, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, for the purpose of commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

Injection will occur through either an internally-coated, 5-inch or smaller tubing inside the surface and intermediate casings, and a 4-1/2-inch or smaller tubing inside the liner. Further, a packer shall be set within 100 feet of the uppermost perforation.

IT IS THEREFORE ORDERED THAT:

The applicant, OWL SWD Operating, LLC (OGRID 308339), is hereby authorized to utilize its Brininstool SWD Well No. 4 (API 30-025-pending) with a location of 330 feet from the South line and 2350 from the East line, Unit O of Section 26, Township 23 South, Range 33 East, NMPM, Lea County, for disposal of oil field produced water (UIC Class II only) through an open hole interval consisting of the Devonian formation from 17100 feet to approximately 18500 feet.

This permit does not allow disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as proposed in the application and, if necessary, as modified by the District Supervisor.

The operator shall circulate the cement behind the casing to surface for all surface and intermediate casings.

The operator shall run a CBL (or equivalent) across the 7-inch liner from 500 feet above the top of liner to the bottom of the liner to demonstrate a good cement across the 7-inch liner, and good bond between the liner and the 9-7/8-inch casing.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3420 psi, but may be modified by the Division Director following the completion of the initial Step-Rate Test.** In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. The operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District I office. The operator shall submit monthly reports of the disposal

operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management - Carlsbad
Administrative application – pMAM1712856748

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ ☒ Disposal _____ Storage
Application qualifies for administrative approval? _____ ☒ Yes _____ No
- II. OPERATOR: OWL SWD Operating, LLC
ADDRESS: 8214 Westchester Drive, Suite 850, Dallas, TX 75255
CONTACT PARTY: Preston Carr PHONE: 855-695-7937
- 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 _____ ☒ 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: Stephen L. Pattee, P.G. TITLE: Consulting Engineer – Agent for OWL
SIGNATURE: _____ DATE: 05/03/2017
E-MAIL ADDRESS: steve@lonquist.com
- * 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: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: OWL SWD Operating, LLC

WELL NAME & NUMBER: Brininstool SWD No. 4

WELL LOCATION: 330' FSL & 2,350' FEL
FOOTAGE LOCATION

Q 26 23S 33E
UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 26.000" Casing Size: 20.00"
Cemented with: 3.315 sx. *or* _____ ft³
Top of Cement: surface Method Determined: circulation

1st Intermediate Casing

Hole Size: 17.500" Casing Size: 13.625"
Cemented with: 1.760 sx. *or* _____ ft³
Top of Cement: surface Method Determined: circulation

2nd Intermediate Casing

Hole Size: 12.250" Casing Size: 9.875"
Cemented with: 1.780 sx. *or* _____ ft³
Top of Cement: surface Method Determined: circulation

Production Liner

Hole Size: 8.500" Casing Size: 7.000"
Cemented with: 800 sx. *or* _____ ft³

Top of Cement: 12,000'

Method Determined: calculation

Total Depth: 18,500'

Injection Interval

17,100 feet to 18,500 feet

(Open Hole)

INJECTION WELL DATA SHEET

Tubing Size: 5,000", 18 lb/ft, P-110, BT&C from 0' – 12,000' and 5,000", 18 lb/ft, P-110 UFJ from 12,000' – 17,000'
 Lining Material: Duoline

Type of Packer: 7" D&L Oil Tools Permapak Packer – Single Bore

Packer Setting Depth: 17,000'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled? Gas production

2. Name of the Injection Formation: Devonian

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

No, new drill.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

Delaware: 5,276'

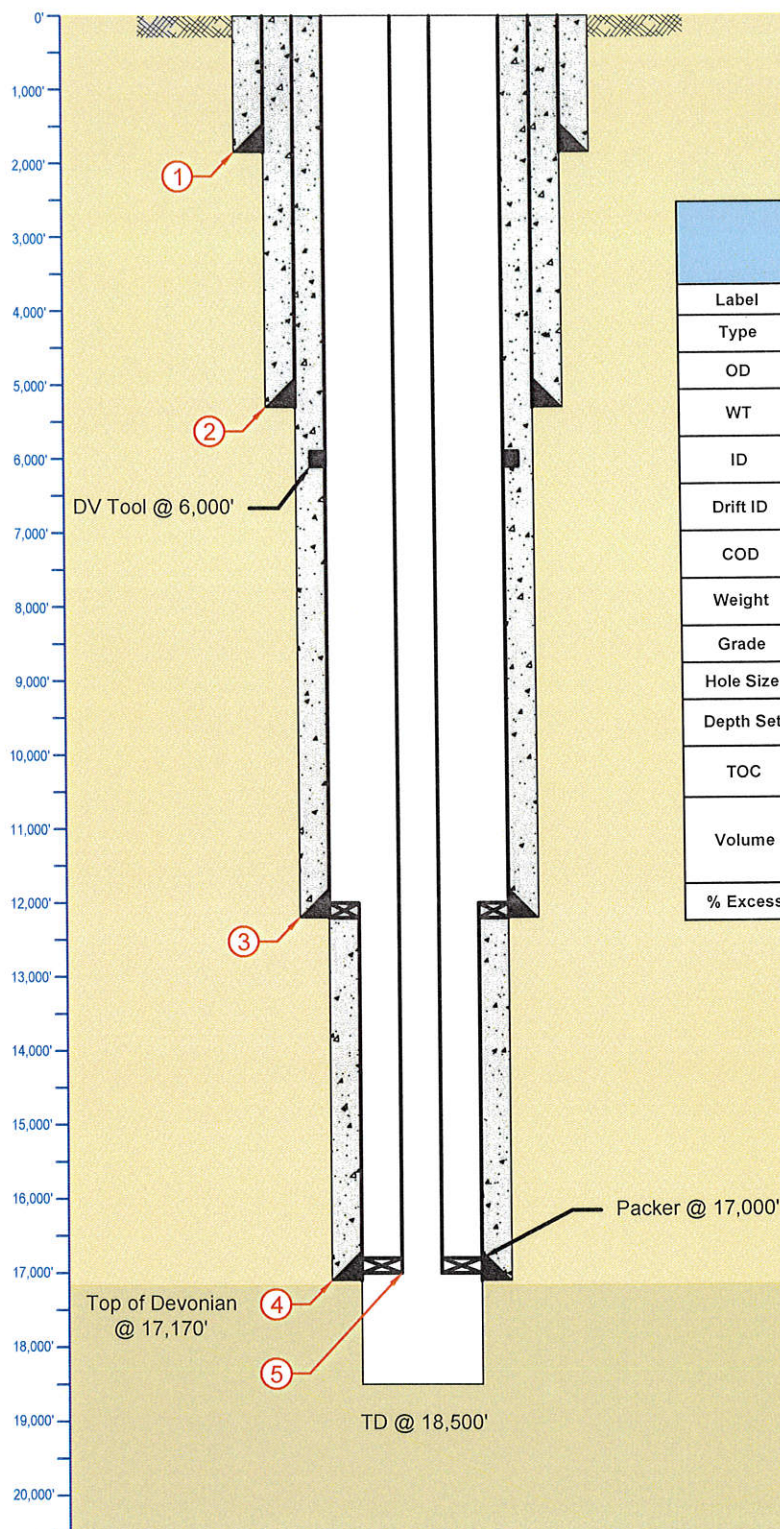
Bone Spring: 9,158'

Wolfcamp: 12,202'

Strawn: 13,957'

Atoka: 14,108'

KB:	NA
BHF:	NA
GL:	3,653'
Spud:	NA



Casing Information

Label	1	2	3	4
Type	Surface	Intermediate	Production	Liner
OD	20"	13-5/8"	9-7/8"	7"
WT	0.812"	0.625"	0.625"	0.540"
ID	18.376"	12.375"	8.625"	5.920"
Drift ID	18.188"	12.250"	8.500"	5.795"
COD	21.000"	NA	NA	7.656"
Weight	169 lb/ft	88.2 lb/ft	62.8 lb/ft	38 lb/ft
Grade	K-55 STC	P-110 BTC	P-110 LTC	P-110 LTC
Hole Size	26"	17-1/2"	12-1/4"	8-1/2"
Depth Set	1,850'	5,300'	12,200'	12,000'-17,100'
TOC	Surface (circulation)	Surface (circulation)	Surface (circulation)	12,000'
Volume	Lead: 2,310 sx ECONOCEM Tail: 1,005 sx HALCEM	Lead: 1,400 sx NeoCem Tail: 360 sx HALCEM	Lead: 1,290 sx NeoCem Tail: 490 sx VERSACEM/HALCEM	800 sx VERSACEM
% Excess	100%	25%	25%	25%

Tubing Information

Label	5	5
Type	Tubing	Tubing
OD	5"	5"
WT	0.362"	0.362"
ID	4.276"	4.276"
Drift ID	4.151"	4.151"
COD	5.563"	5.000"
Weight	18 lb/ft	18 lb/ft
Grade	P-110 BTC	P-110 UFJ
Hole Size	8.625"	5.920"
Depth Set	0' - 12,000'	12,000' - 17,000'

LONQUIST

FIELD SERVICE

AUSTIN WICHITA
HOUSTON CALGARY

OWL SWD Operating, LLC

Brininstool SWD No. 4 - Proposed

Country: USA

State/Province: New Mexico

County/Parish: Lea

Location:

Site: 330' FSL & 2,350' FEL

Survey/STR: 26-23S-33E

API No:

Field:

Well Type/Status: SWD

Texas License F-9147

State ID No:

Project No:

Date: 5/3/17

3345 Bee Cave Road, Suite 201
Austin, Texas 78746
Tel: 512.732.9812
Fax: 512.732.9816

Drawn: WHG

Reviewed: SLP

Approved: SLP

Rev No: 1

Notes:

OWL SWD Operating, LLC.

Brininstool SWD No. 4

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

Well information	
Lease Name	Brininstool SWD
Well No.	4
Location	S-26 T-23S R-33E
Footage Location	330' FSL & 2,350' FEL

2.

a. Wellbore Description

Casing Information				
Type	Surface	Intermediate	Production	Liner
OD	20"	13.625"	9.875"	7"
WT	0.812"	0.625"	0.625"	0.540"
ID	18.376"	12.375"	8.625"	5.920"
Drift ID	18.188"	12.250"	8.500"	5.795"
COD	21.00"	NA	NA	7.656"
Weight	169 lb/ft	88.2 lb/ft	62.8 lb/ft	38 lb/ft
Grade	K-55	P-110	P-110	P-110
Hole Size	26"	17.5"	12.25"	8.5"
Depth Set	1,850'	5,300'	12,200'	12,000' – 17,100'

b. Cementing Program

Cement Information				
Casing String	Surface	Intermediate	Production	Liner
Lead Cement	ECONOCEM	NeoCem	Stage 1: NeoCem Stage 2: NeoCem	VERSACEM
Lead Cement Volume	2,310 sks	1,400 sks	Stage 1: 680 sks Stage 2: 610 sks	800 sks
Tail Cement	HALCEM	HALCEM	Stage 1: VERSACEM Stage 2: HALCEM	-
Tail Cement Volume	1,005 sks	360 sks	Stage 1: 340 sks Stage 2: 150 sks	-
Cement Excess	100%	25%	25%	25%
TOC	Surface	Surface	Surface	12,000'
Method	Circulate to Surface	Circulate to Surface	Circulate to Surface	Logged

3. Tubing Description

Tubing Information		
OD	5"	5"
WT	0.362"	0.362"
ID	4.276"	4.276"
Drift ID	4.151"	4.151"
COD	5.563"	5.000"
Weight	18 lb/ft	18 lb/ft
Grade	P-110, BTC	P-110 UFJ
Depth Set	0'-12,000'	12,000'-17,000'

Tubing will be lined with Duoline.

4. Packer Description

D&L Oil Tools 7" Permapack Packer – Single Bore

B. Completion Information

1. Injection Formation: Devonian
2. Gross Injection Interval: 17,100' – 18,500'

Completion Type: Open Hole

3. Drilled for injection.
4. See the attached wellbore schematic.
5. Oil and Gas Bearing Zones within area of well:

Formation	Depth
Delaware	5,276'
Bone Spring	9,158'
Wolfcamp	12,202'
Strawn	13,957'
Atoka	14,108'

VI. Area of Review

No wells within the area of review penetrate the proposed injection zone.

VII. Proposed Operation Data

1. Proposed Daily Rate of Fluids to be Injection:

Average Volume: 24,000 BPD
Maximum Volume: 31,500 BPD

2. Closed System

3. Anticipated Injection Pressure:

Average Injection Pressure: 3,348 PSI (surface pressure)
Maximum Injection Pressure: 3,409 PSI (surface pressure)

4. The injection fluid is to be locally produced water. Attached are produced water sample analyses taken from the closest wells that feature samples from the Delaware and Bone Spring formations.
5. As mentioned above, a Delaware produced water sample analysis is attached.

VIII. Geological Data

The Devonian formation is a dolomitic ramp carbonate that occurs below the Woodford shale and above the Fusselman formation. Strata found in the Devonian formation near Jal are two major groups, the Wristen Buildups and the Thirtyone Deepwater Chert, with the Wristen being more abundant. The Wristen Groups is composed of mixed limestone and dolomites with mudstone to grainstone and boundstone textures. Porosity in the Wristen group is a result of both primary and secondary development. Present are moldic, vugular, karstic (including collapse breccia) features that allow for higher porosities and permeabilities. The Thirtyone Formation contains two end-member reservoir facies, skeletal packstones/grainstones and spiculitic chert, with most of the porosity and permeability found in the coarsely crystalline cherty dolomite. These particular characteristics allow for this formation to be a tremendous Salt Water Disposal horizon.

A. Injection Zone: Devonian Formation

Formation	Depth
Rustler	1,350'
Salado	1,836'
Delaware	5,276'
Bone Spring	9,158'
Wolfcamp	12,202'
Strawn	13,957'
Atoka	14,108'
Mississippian Lime	16,497'
Woodford	16,966'
Devonian	17,170'

B. Underground Sources of Drinking Water

Fresh water may be present throughout the Rustler formation. The top of the Salado formation is estimated at a depth of 1,836'; therefore, the surface casing is set at 1,850'. There are no sources of drinking water underlying the injection interval.

IX. Proposed Stimulation Program

No proposed stimulation program.

X. Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI. Chemical Analysis of Fresh Water Wells

There are three fresh water wells within one mile of the well location (C-02282, C-02283, C-02284). All of these wells are owned/operated by Brininstool XL Ranch LLC. Fresh water samples were obtained from two of the wells and analysis of these samples, a map, and the Water Right Summary from the New Mexico Office of the State Engineer are attached.

XII. Affirmative Statement of Examination of Geologic and Engineering Data

Based on the available engineering and geologic data we find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Ramona Hovey

From: Treyhughes <trey@bandrinc.com>
Sent: Monday, September 21, 2020 9:08 AM
To: Ramona Hovey
Subject: Re: Hughes Properties

We received

Thank you. Trey Hughes

On Sep 21, 2020, at 8:04 AM, Ramona Hovey <ramona@lonquist.com> wrote:

Good morning. We are trying to confirm that we have sent notice of an extension for a salt water disposal permit to the correct location. According to the Lea County CAD rolls, Hughes Properties is listed as the surface owner for a parcel in Section 26, Township 23-S and 33-E. In August of 2017, OWL SWD Operating, LLC received a permit to drill a salt water disposal well in the southern portion of the section, when it was owned by Christine Brininstool. OWL has requested an extension from the Oil Conservation Division (OCD) and in that process we were required to notify any new surface owners or operators in a 1 mile radius. Unfortunately, the US Postal Service has been challenging lately. The first notice was sent to a PO Box and the second to 4501 Grandi but we've not been able to receive confirmation that the notice was delivered. Are you associated with Hughes Properties? If so, can you confirm the best address to reach you? We can resend via Fedex or email, whichever is preferable. I appreciate your time and hope I've reached the right person.

Regards,

Ramona Hovey
Sr. Petroleum Engineer

<image002.jpg>

Office: 512-600-1777 Cell: 512-585-0654
12912 Hill Country Blvd., Suite F-200, Austin, Texas, 78738
ramona@lonquist.com · www.lonquist.com

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Lamkin, Baylen, EMNRD

From: Ramona Hovey <ramona@lonquist.com>
Sent: Tuesday, October 27, 2020 3:44 PM
To: Lamkin, Baylen, EMNRD
Subject: [EXT] RE: OWL - The Office SWD #1 and Brininstool SWD #4
Attachments: HughesEmail.pdf

I apologize – I thought I had included that in the last packet I sent, but it was left out. We could not get a USPS receipt, but were able to correspond with Mr. Hughes and he confirmed the receipt. The two tracking numbers were:

9314 8699 0430 0074 1663 61 (sent 8/17/20)

9314 8699 0430 0074 5709 77 (sent 9/2/20)

And, I meant to ask about the status of Sholes Deep No. 3, not The Office. Man, my brain is not working right this afternoon.

Regards,

Ramona Hovey
Sr. Petroleum Engineer

LONQUIST & CO. LLC



Office: 512-600-1777 Cell: 512-585-0654

12912 Hill Country Blvd., Suite F-200, Austin, Texas, 78738

ramona@lonquist.com · www.lonquist.com

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From: Lamkin, Baylen, EMNRD <Baylen.Lamkin@state.nm.us>
Sent: Tuesday, October 27, 2020 4:36 PM
To: Ramona Hovey <ramona@lonquist.com>
Subject: RE: OWL - The Office SWD #1 and Brininstool SWD #4

Ramona,

Do you happen to have the return receipts or tracking number for the additional notice that was submitted?

- Baylen

From: Ramona Hovey <ramona@lonquist.com>
Sent: Tuesday, October 27, 2020 2:57 PM
To: Lamkin, Baylen, EMNRD <Baylen.Lamkin@state.nm.us>
Subject: [EXT] OWL - The Office SWD #1 and Brininstool SWD #4

Good afternoon, Baylen. Hope all is well with you. I wanted to check on the statuses of the Brininstool SWD #4 extension request and The Office SWD #1 application. Hadn't heard anything in a while and wanted to make sure I hadn't missed any communications.

Regards,

Ramona Hovey
Sr. Petroleum Engineer

LONQUIST & CO. LLC



Office: 512-600-1777 Cell: 512-585-0654

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ramona@lonquist.com · www.lonquist.com

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[External email]