

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

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-35558
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Black Lake 7 SWD (formerly Kimber State)
8. Well Number 001
9. OGRID Number 308339
10. Pool name or Wildcat SWD; Delaware

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.)

1. Type of Well: Oil Well Gas Well Other **SWD**

2. Name of Operator **Owl SWD Operating, LLC**

3. Address of Operator **8214 Westchester Dr., Ste.850, Dallas, TX 75225**

4. Well Location
 Unit Letter **C** : **660** feet from the **North** line and **1980** feet from the **West** line
 Section **7** Township **25-S** Range **28-E** NMPM County **Eddy**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3067' G.L.

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"/>	Tubing Mod & Configure SWD <input type="checkbox"/>		
OTHER: <input type="checkbox"/>		DENIED	<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.

(Formerly Kimber State; Owl will rename to Black Lake 7 SWD.)

DENIED

Well was approved for SWD by SWD-1464 with 3.5" tubing. This tubing size of this SWD will be increased to 4.5" to maximize volume at the allowed pressure. NO OTHER DETAILS OF THE WELL HAVE BEEN or WILL BE ALTERED. Updated wellbore diagram is attached. (Verbal approval 12/15/15: OCD Santa Fe & Artesia.)

Convert to SWD: Pull tubing and existing production equipment. Set CIBP @ 12,250' Cap w/ 35' Cmt. Circulate hole w/ Mud Laden Fluid. Set CIBP @ 11,900' Cap w/ 35' Cmt. Spot additional plugs as shown. Set CIBP @ 4450' Cap w/ 35' Cmt. Perf Injection Intervals Determined by Logs. Acidize perfs w/ 15% HCl; Swab Clean. Run PC Tubing and PKR - Conduct MIT w/ OCD 24 hr notice. Commence Disposal Operations.

Spud Date: [Rig Up] ASAP 12/15/15 Rig Release Date: _____

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

SIGNATURE *Ben Jones* TITLE Agent/consultant DATE 12/15/2015

Type or print name _____ E-mail address: ben@sosconsulting.us PHONE: 903-488-9850

APPROVED BY: *Ben Jones* TITLE Dist. Engineer DATE 12/16/2015

Conditions of Approval (if any):
DENIED - SWD 1464 SPECIFIES 3.5" TUBING. A CHANGE IN TUBING SIZE REQUIRES AN AMENDMENT TO THE ORDER. PLEASE CONTACT SANTA FE TO REQUEST APPROVAL FOR THIS CHANGE. RE 12/16/15

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1464
March 5, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Mewbourne Oil Company (the "operator") seeks an administrative order to re-enter and recomplete its Kimber State Well No. 1 with a location of 660 feet from the North line and 1980 feet from the West line, Unit letter C of Section 7, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes. The operator is proposing a well name change to the Black Lake 7 SWD No. 1

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 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 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Mewbourne Oil Company (OGRID 14744), is hereby authorized to utilize its Kimber State Well No. 1 (API 30-015-35558) with a location of 660 feet from the North line and 1980 feet from the West line, Unit letter C of Section 7, Township 25 South, Range 28 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) into the Bell Canyon, Cherry Canyon and Brushy Canyon formations of the Delaware Mountain group through perforations from approximately 2430 feet to approximately 4350 feet. Injection will occur through internally-coated, 3 ½-inch and smaller tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

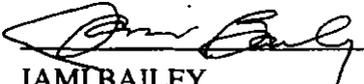
The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

The operator shall install a cast-iron bridge plug (or equivalent) with a cement cap within 100 feet above the shallowest Morrow formation perforations at 12350 feet.

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.


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas and Minerals Division

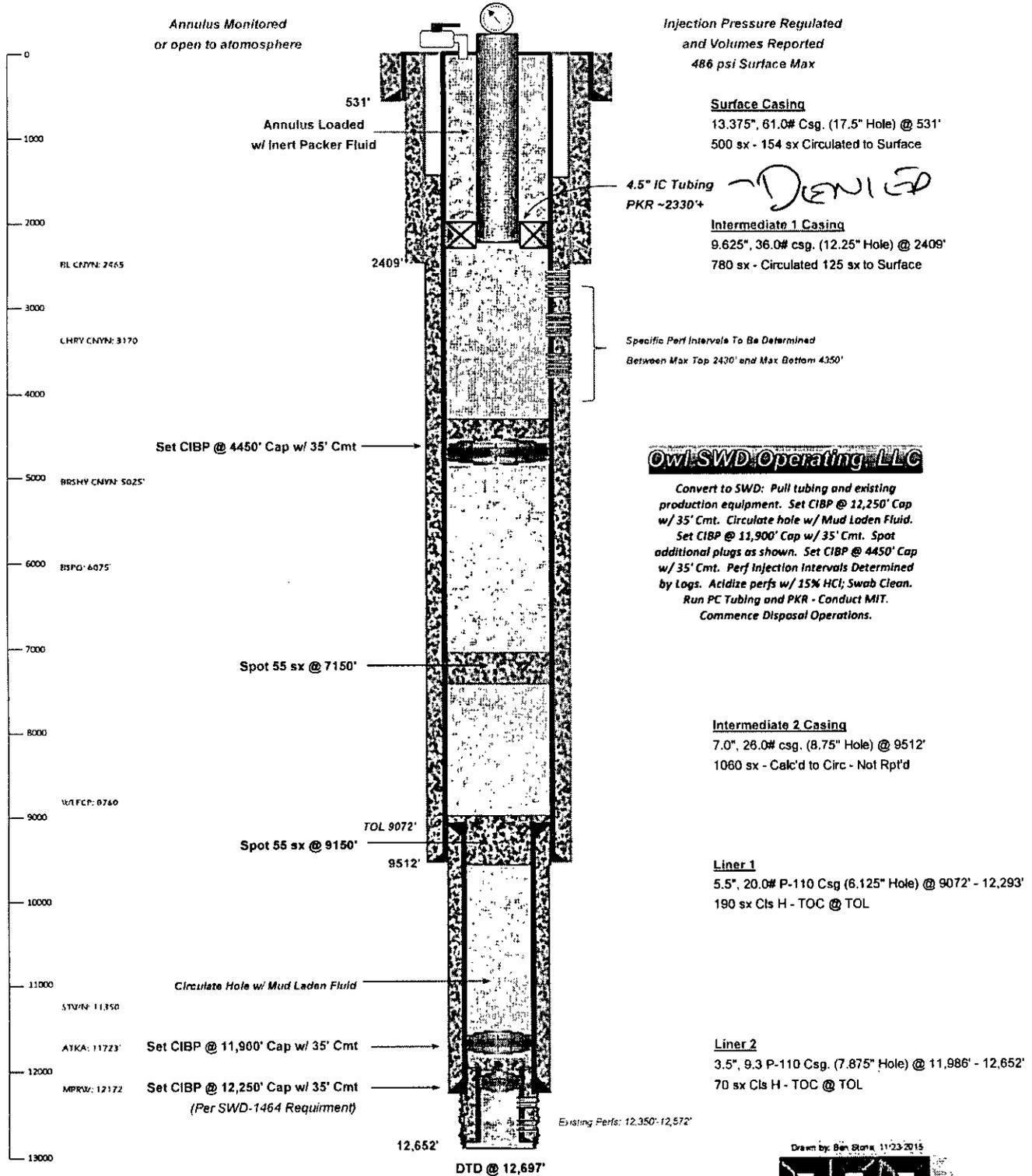


WELL SCHEMATIC - PROPOSED
Black Lake 7 SWD Well No.1

(Formerly the Kimber State No.1)
API 30-015-35558
 660' FNL & 1980' FWL, SEC. 7-T25S-R28E
 EDDY COUNTY, NEW MEXICO

SWD; Delaware - Pool ID 96100

Re-Entry Date: 12/07/2015



Owl SWD Operating LLC

Convert to SWD: Pull tubing and existing production equipment. Set CIBP @ 12,250' Cap w/ 35' Cmt. Circulate hole w/ Mud Laden Fluid. Set CIBP @ 11,900' Cap w/ 35' Cmt. Spot additional plugs as shown. Set CIBP @ 4450' Cap w/ 35' Cmt. Perf Injection Intervals Determined by Logs. Acidize perfs w/ 15% HCl; Swab Clean. Run PC Tubing and PKR - Conduct MIT. Commence Disposal Operations.

Intermediate 2 Casing
 7.0", 28.0# csg. (8.75" Hole) @ 9512'
 1060 sx - Calc'd to Circ - Not Rpt'd

Liner 1
 5.5", 20.0# P-110 Csg (6.125" Hole) @ 9072' - 12,293'
 190 sx Cls H - TOC @ TOL

Liner 2
 3.5", 9.3 P-110 Csg. (7.875" Hole) @ 11,986' - 12,652'
 70 sx Cls H - TOC @ TOL



Drawn by: Ben Stone 11/23/2015