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

HOBBS OCD
DEC 02 2016
RECEIVED

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

WELL API NO. 30-025-28224

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: PEARL STATE

1. Type of Well: Oil Well [ ] Gas Well [X] Other SWD

8. Well Number 2

2. Name of Operator: OASIS WATER SOLUTIONS, LLC

9. OGRID Number 310761

3. Address of Operator: PO BOX 36, MONUMENT, NM 88265

10. Pool name or Wildcat: WOLFCAMP

4. Well Location
Unit Letter J : 1,980 feet from the SOUTH line and 1,980 feet from the EAST line
Section 10 Township 19 S Range 35 E NMPM LEA County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3,830 RKB

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[ ]						
CLOSED-LOOP SYSTEM	[ ]						
OTHER: PERFORM BH / MIT & STEP RATE INJ TEST	[X]			OTHER:			[ ]

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.

PLEASE SEE THE ATTACHED PROCEDURE DESCRIPTION.

PROVIDE S.R.T. RESULTS TO SANTA FE OCD FOR APPROVAL

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 [signature] TITLE CONSULTING ENGINEER DATE 11/29/16

Type or print name MICHAEL STEWART E-mail address: MSTEWART@HELMSOIL.COM PHONE: (432) 682-1122

For State Use Only

APPROVED BY: Mary Brown TITLE Dist Supervisor DATE 12/5/2016

Conditions of Approval (if any):

Oasis Water Solutions, LLC
OGRID No 310761
Pearl State #2 API No 30-025-28224
Unit Letter J, Section 10, T19S, R35E
Lea Co., NM
Attachment to Form C-103
Notice of Intent to Perform Bradenhead / MIT and Step-Rate Injection Test

Proposed Procedure

1. Provide District I NMOCD Office w/ 72 hr notice prior to MIRU
   (575) 393-6161
2. SI well for a minimum of 48 hrs to stabilize SITP.
3. MIRU pump truck on 5-1/2" x 3-1/2" annulus w/ chart recorder.
4. Load 5-1/2" x 3-1/2" annulus and pressure up to 525 psi. Close valve to PT and record pressure tbg-csg annulus pressure for minimum of 30 mins on chart w/ appropriate pressure range (0-1,000 psi) and hourly chart.
5. ND tbg valve and WH.
6. Install 3-1/2", 5000# valve on WH tbg flange w/ appropriate XO nipple, tees and side valves to allow for wireline lubrication to be installed on top of tbg valve.
7. RU Wireline & install 5k lubricator on top of tbg WH valve
8. RIH w/ BHP gauge to ± 10,450' (Pkr @ 10,415', Top Perf @ 10,490')
9. RU pump truck sufficient to pump at rates from 4/10 BPM to 10 BPM at a maximum WH injection pressure of 4,000 psi.
10. Connect PT to 500 bbl frac tank on location that is full of produced water and connected to tanks at SWD facility w/ transfer pump to keep 500 bbl frac tank full while pumping step rate test.
11. Begin step rate test and pump at following rates and step intervals:

Oasis Water Solutions, LLC
OGRID No 310761
Pearl State #2 API No 30-025-28224
Unit Letter J, Section 10, T19S, R35E
Lea Co., NM
Attachment to Form C-103
Notice of Intent to Perform Bradenhead / MIT and Step-Rate Injection Test

Oasis Water Solutions
Pearl State #2 SWD
Step Rate Test

Input Paramenters

Max Daily Proposed Inj Rate	12,000	BFPD	
	Top	**Bottom**	
Permitted Inj Interval	**10,430**	**10,800**	
Actual Injection Interval	10,490	ft	10,555 ft
Min Frac Gradient (psi/ft)	0.20	psi/ft	
Max Permitted Inj Pressure	2,086	psi	
Injection Fluid Density	9.20	ppg	*assumed - needs to be weighed*

	Type	ID (in)	Hazen Williams Friction Cf	Burst (psi)
Injection Via	3-1/2", 9.3 ppf, L-80 APGRN IPC Tbg	2.837	150	10,160
Packer Depth *ft*	10,415			

		Stage No.									
Proposed Step Rate		1	2	3	4	5	6	7	8		
Inj Rate	BPM	0.42	0.83	1.67	3.33	5.00	6.67	8.33	10.00		
% of Max Proposed Inj Rate	%	5.0%	10.0%	20.0%	40.0%	60.0%	80.0%	100.0%	120.0%		
	BPD	600	1,200	2,400	4,800	7,200	9,600	12,000	14,400		
										Totals	
Step Duration	Mins	30	30	30	30	30	30	30	30	240.0	4 hrs
Required Volume	Bbls	12.5	25.0	50.0	100.0	150.0	200.0	250.0	300.0	1087.5	
Cum Volume Req	Bbls	12.5	37.5	87.5	187.5	337.5	537.5	787.5	1087.5		

Each step will be 30 minutes in duration.
Utilize mud scale to measure injected fluid weight (ppg) at various intervals during step rate test.
Pmax will be 4,000 psi
Full test will require ± 1,087 bbls of fluid and will require 4 hr pump time.
Record surface WH injection pressure and DH injection pressures over entire step rate test.

12. SD and record ISIP, 5" SITP, 10" SITP & 15" SITP
13. RD PT
14. RD Wireline
15. Flowback well to 500 bbl frac tank to allow pressure to bleed off and ND 3-1/2" 5k rental tbg valve and reinstall 3-1/2", 3k tbg valve
16. Submit Form C-103 with Step Rate Test and associated plots to Santa Fe office for approval.