

10/07/2015 DATE IN	SUSPENSE	MAM ENGINEER	10/08/2015 LOGGED IN	SWD TYPE	PMA 15281303F APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Billy Prichard See Application Letter Agent 10-08-2015  
 Print or Type Name Signature Title Date

e-mail Address



Pueblo West Resources  
125 Greathouse Village  
Decatur, Texas 76234  
432-934-7680  
Fax 940-627-5449

RECEIVED OCD

October 2, 2015

2015 OCT -7 A 2: 37

Phillip R. Goetze  
New Mexico Oil Conservation Division  
Engineering and Geological Services Bureau  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attn: Mr. Phillip Goetze

RE: SWD - 1555

Mr. Goetze

OWL SWD Operating, L.L.C. has moved the Smith Ranch Federal SWD # 1 from 1980 FSL X 990 FEL, Unit Letter "I", Section 6, T20S, R34E Lea County, to 1502 FSL X 695 FEL due to recently found fiber optic line as well as ROW for power line. This move does not adversely affect any additional offset owners based on the new area of review. Please find enclosed a drawing of the Area of Review.

Additionally, no wells were found with in the 0.5 mile area of review that penetrate the Devonian formation.

Well design was changed due to request of BLM. Enclosed are well diagrams of the original C108 and the new well design. Total depth in the Devonian was changed from 17000' to 15625'. Production Liner setting depth was changed from 14800' to 14625'. All with in the Devonian formation. These changes would change the maximum disposal pressure from 2960psig to a pressure of 2925psig. Enclosed are well diagrams of original and proposed well designs.

I respectfully request and amended order for Administrative Order SWD-1555 issued on June 6, 2015 to reflect the new location and casing design mentioned above.

Should you have questions or need more information, Please call or email.

Sincerely,

Billy (Bill) E. Prichard  
Pueblo West Resources  
Agent for OWL SWD Operating, L.L.C.  
125 Greathouse Village  
Decatur, TX 76234  
432-934-7680 cellular



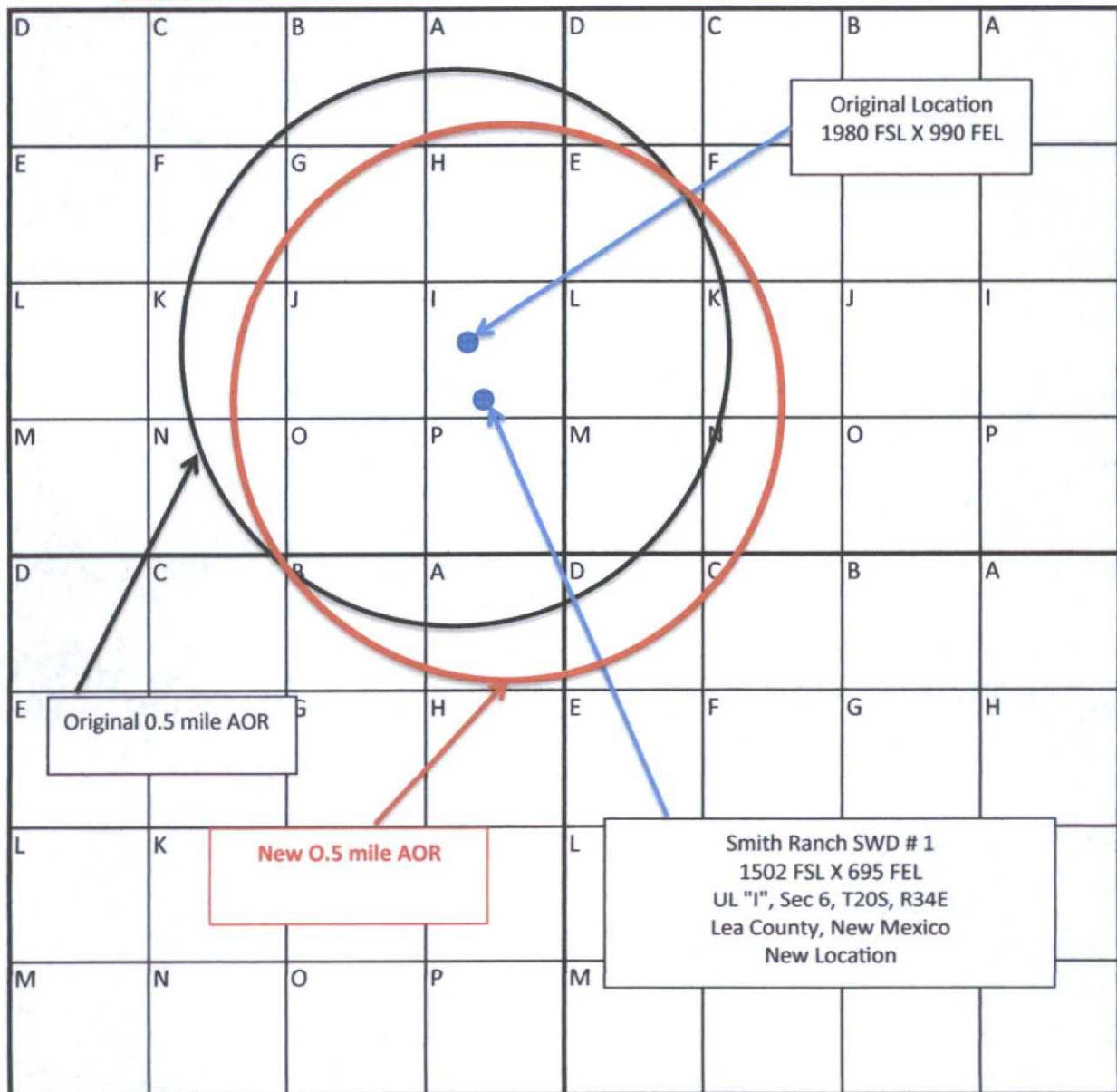
Facebook  
email; [billy@pwllc.net](mailto:billy@pwllc.net)  
[www.pwllc.net](http://www.pwllc.net)



OWL SWD Operating, LLC  
Smith Ranch  
API # Pending  
0.5 Mile AOR

Sec 6, T20S, R34E

Sec 5, T20S, R34E



Sec 7, T20S, R34E

Sec 8, T20S, R34E

Surface Owner  
Kenneth Smith  
Drawing not to scale

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. <b>30-025 - Not Yet Assigned</b>
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 <b>Smith Ranch SWD # 1</b>
8. Well Number <b>001</b>
9. OGRID Number <b>308339</b>
10. Pool name or Wildcat <b>SWD: Devonian</b>

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 Drive Suite 850 Dallas, TX 75225**

4. Well Location

Unit Letter **I** : **1502** feet from the **S** line and **695** feet from the **E** line  
Section **6** Township **20S** Range **34E** NMPM **Lea** County

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

**4065 GL**

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
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.

OWL request a change to C101 previously filed for the Smith Ranch SWD # 1 to the below well design

<sup>21</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	24"	20"	133lb/ft	1500'	1788	SURFACE
Int	17 1/2"	13-5/8"	88.2 lb/ft	5500'	4275	SURFACE
Prod	12-1/4"	9 7/8"	62.8 lb/ft	11000'	2098	SURFACE
Prod. Liner	8 1/2"	7"	32 lb/ft	10,800'-14,625'	585	10,800'

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 Billy E. Prichard TITLE Agent for OWL

DATE 10/23/15

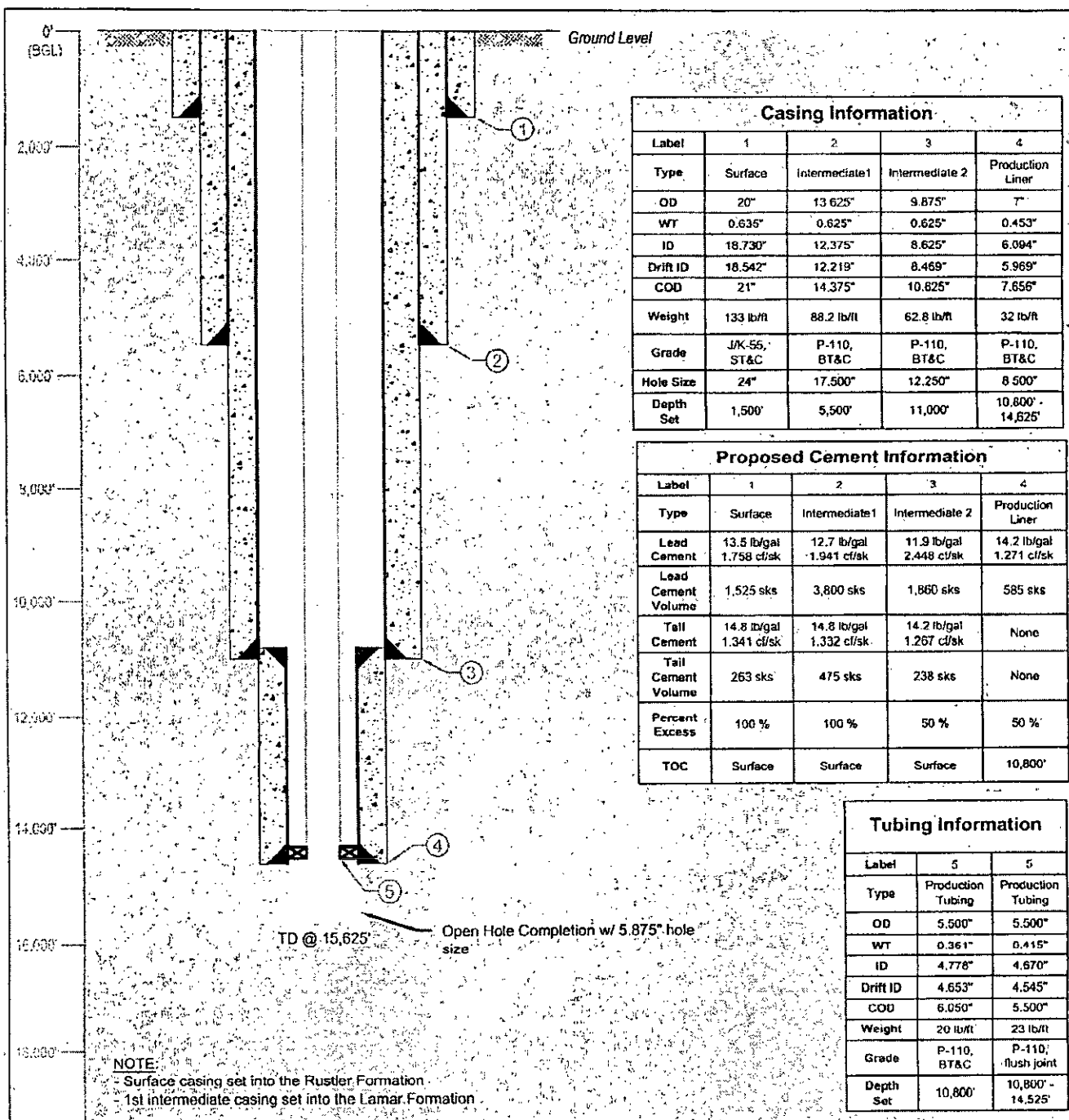
Type or print name **Billy E. Prichard**  
For State Use Only

E-mail address: **billy@pwlle.net**

PHONE: **4329347680**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):



Casing Information				
Label	1	2	3	4
Type	Surface	Intermediate 1	Intermediate 2	Production Liner
OD	20"	13.625"	9.875"	7"
WT	0.635"	0.625"	0.625"	0.453"
ID	18.730"	12.375"	8.625"	6.094"
Drift ID	18.542"	12.219"	8.469"	5.969"
COD	21"	14.375"	10.825"	7.656"
Weight	133 lb/ft	88.2 lb/ft	62.8 lb/ft	32 lb/ft
Grade	J/K-55, ST&C	P-110, BT&C	P-110, BT&C	P-110, BT&C
Hole Size	24"	17.500"	12.250"	8.500"
Depth Set	1,500'	5,500'	11,000'	10,800' - 14,625'

Proposed Cement Information				
Label	1	2	3	4
Type	Surface	Intermediate 1	Intermediate 2	Production Liner
Lead Cement	13.5 lb/gal 1.758 c/sk	12.7 lb/gal 1.941 c/sk	11.9 lb/gal 2.448 c/sk	14.2 lb/gal 1.271 c/sk
Lead Cement Volume	1,525 sks	3,800 sks	1,860 sks	585 sks
Tail Cement	14.8 lb/gal 1.341 c/sk	14.8 lb/gal 1.332 c/sk	14.2 lb/gal 1.267 c/sk	None
Tail Cement Volume	263 sks	475 sks	238 sks	None
Percent Excess	100 %	100 %	50 %	50 %
TOC	Surface	Surface	Surface	10,800'

Tubing Information		
Label	5	5
Type	Production Tubing	Production Tubing
OD	5.500"	5.500"
WT	0.361"	0.415"
ID	4.778"	4.670"
Drift ID	4.653"	4.545"
COD	6.050"	5.500"
Weight	20 lb/ft	23 lb/ft
Grade	P-110, BT&C	P-110, flush joint
Depth Set	10,800'	10,800' - 14,525'

<b>LONQUIST &amp; CO. LLC</b>  Austin, Texas 512.732.9812 512.732.9810	OWL SWD Operating, Inc.		Smith Ranch SWD No. 1	
	Country: USA	State/Province: New Mexico	County/Parish: Lea	
	Survey/STR: 06-20S-34E	Site: 1,502' FSL & 695' FEL	Status: To Be Drilled	
	API No.: TBD	Field: Devonian	Ground Elevation: 3,617'	
	Texas License F-8952	Project No: 1127	Date: 10/19/2015	
3345 Bee Cave Road, Suite 201 Austin, Texas 78746 Tel: 512.732.9812 Fax: 512.732.9810	State ID No.:	Drawn: MMC	Reviewed: SLP	Approved: SLP
	Rev No.:	Notes:		

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Susana Martinez  
Governor

David Martin  
Cabinet Secretary

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

David R. Catanach, Division Director  
Oil Conservation Division



Administrative Order SWD-1555  
June 6, 2015

**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, OWL SWD Operating, LLC (the "operator") seeks an administrative order for its proposed Smith Ranch Federal SWD Well No. 1 with a proposed location 1980 feet from the South line and 990 feet from the East line, Unit letter I of Section 6, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, for 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 objection was received within the required suspense 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.

**IT IS THEREFORE ORDERED THAT:**

The applicant, OWL SWD Operating, LLC (OGRID 308339) is hereby authorized to utilize its proposed Smith Ranch Federal SWD Well No. 1 (API No. 30-025-Pending) with a proposed location 1980 feet from the South line and 990 feet from the East line, Unit letter I of Section 6, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through an open-hole interval within Devonian, Silurian, or upper Ordovician formations from approximately 14700 feet to approximately 17000 feet. Injection shall occur through internally-coated tubing and a packer set a maximum of 100 feet above the top of the open-hole interval.

*This permit does not permit 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 formations are 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.*

*Within one year after commencing disposal, the operator shall submit to the Division copies of an injection survey run on this well consisting of a temperature log, or equivalent, run under representative disposal rates.*

*Failure to comply with any of the requirements detailed above shall result ipso-facto in the loss of injection authority approved by this order.*

**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 in the application and any required modifications of construction as required by the Bureau of Land Management.

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 2960 psi**. 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 formation. 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 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 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.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District office of any failure of the tubing, casing or packer in the well, or of any leakage or release of



water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

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 disposal well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

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/wvjj

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad Field Office  
Administrative Application pWVJ1514159240



## Results of Directional Survey

API number:	30-025-41305		
OGRID:		Operator:	LEGACY RESERVES OPERATING, LP
		Property:	HAMON A FEDERAL COM # 3H

surface	ULSTR:	O	06	T	20S	R	34E
				474	FSL	2004	FEL

BH Loc	ULSTR:	O	07	T	20S	R	34E
16028	MD	10902.3	TVD	336	FSL	1832	FEL
				4944	FNL		

Top Perf/OH	ULSTR:	O	06	T	20S	R	34E
11408	MD	10833.2	TVD	330	FNL	1799	FEL

Bot Perf/OH	ULSTR:	O	07	T	20S	R	34E
16022	MD	10902.6	TVD	345	FSL	1833	FEL
				4935	FNL		

	MD	N/S	E/W	VD
	11379	-775.50	200.30	10833.4
TOP PERFS/OH	11408	-804.05	205.19	10833.17
	11443	-838.50	211.10	10832.90
	15976	-5336.50	168.00	10904.50
BOT PERFS/OH	16022	-5408.86	171.18	10902.55
	16028	-5418.30	171.60	10902.30

NEXT TO LAST	15976	-5336.50	168.00	10904.50
LAST READING	16028	-5418.30	171.60	10902.30
TD	16028	-5418.30	171.60	10902.30

Surface Location	474	FS	2004	FE
Projected BHL	4944	FN	1832	FE
Location of				
Top Perfs/OH	330	FN	1799	FE
Bottom Perfs/OH	4935	FN	1833	FE

### SUMMARY of Subsurface Locations

Surface Location	O-06-20S-34E	474	FS	2004	FE	Vert. Depth
Top Perfs/OH	O-06-20S-34E	330	FN	1799	FE	10833.17
Bottom Perfs/OH	O-07-20S-34E	4935	FN	1833	FE	10902.55
Projected TD	O-07-20S-34E	4944	FN	1832	FE	10902.30

DEC 02 2013

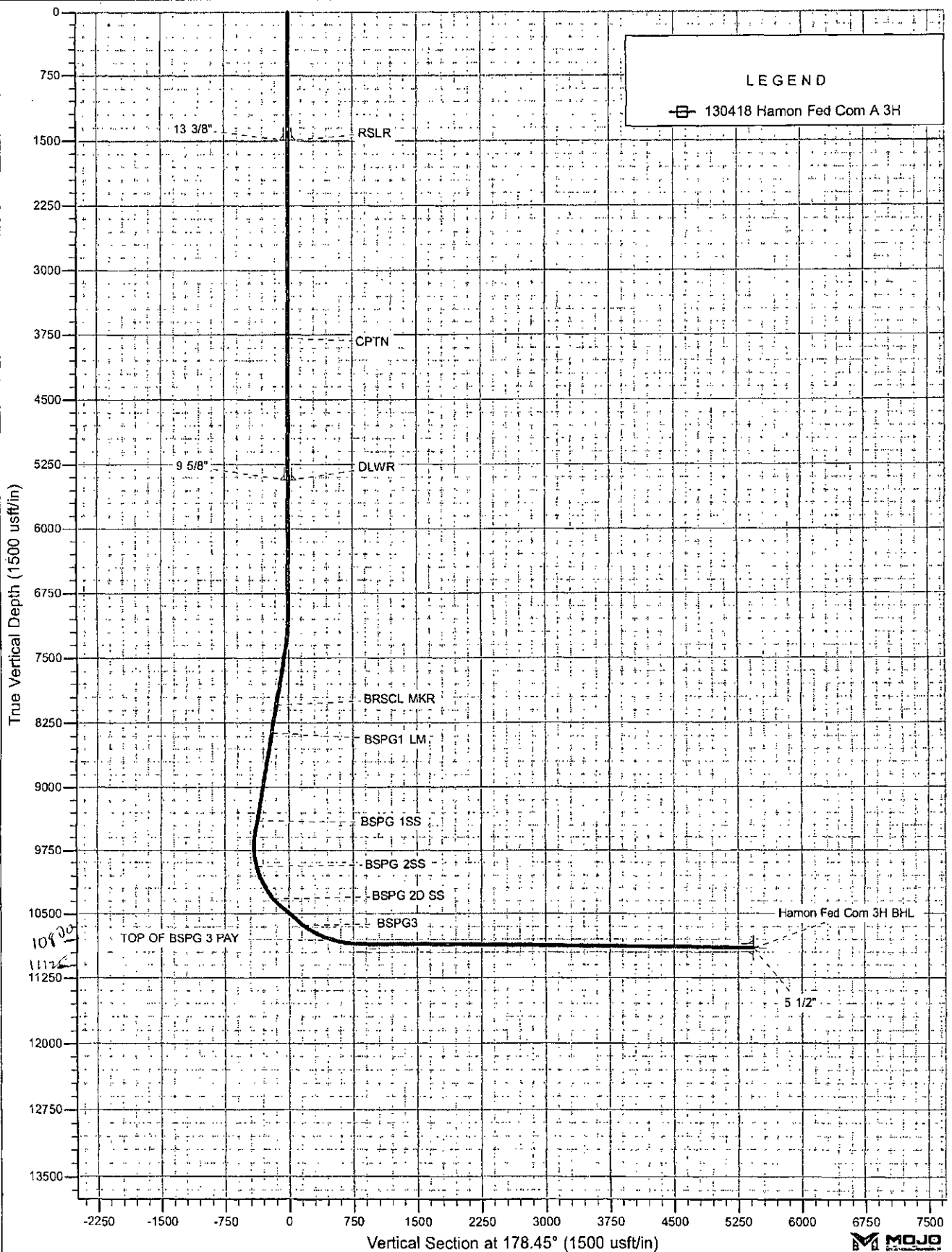
Project: Hamon  
 Site: Hamon Fed Com A 3H  
 Well: Hamon Fed Com A 3H  
 Wellbore: Hamon Fed Com A 3H  
 Design: 130418 Hamon Fed Com A 3H



# HORIZONTAL SECTION VIEW



Azimuths to Grid North  
 True North: -0.40°  
 Magnetic North: 6.99°  
 Magnetic Field  
 Strength: 46694.35nT  
 Dip Angle: 60.51°  
 Date: 16/04/2013  
 Model: IGRF200510





# MOJO Standard Survey

Company:	Legacy Reserves LP	Local Co-ordinate Reference:	Site Hamon Fe
Project:	Hamon	TVD Reference:	WELL @ 3636
Site:	Hamon Fed Com A 3H	MD Reference:	WELL @ 3636
Well:	Hamon Fed Com A 3H	North Reference:	Grid
Wellbore:	Hamon Fed Com A 3H	Survey Calculation Method:	Minimum Curv
Design:	Hamon Fed Com A 3H	Database:	EDM 5000.1 S

Survey									
MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	
11,347.0	89.50	170.00	10,833.3	7,197.3	-743.9	194.8	748.9	5.0	
11,379.0	90.20	170.20	10,833.4	7,197.4	-775.5	200.3	780.6	2.2	
11,443.0	90.60	170.30	10,832.9	7,196.9	-838.5	211.1	843.9	0.6	
11,506.0	90.90	171.30	10,832.1	7,196.1	-900.7	221.2	906.4	1.6	
11,570.0	88.70	174.40	10,832.3	7,196.3	-964.2	229.2	970.1	5.9	
11,633.0	88.30	176.20	10,834.0	7,198.0	-1,027.0	234.3	1,032.9	2.9	
11,697.0	88.60	180.40	10,835.7	7,199.7	-1,090.9	236.2	1,096.9	6.5	
11,729.0	89.10	180.90	10,836.4	7,200.4	-1,122.9	235.9	1,128.9	2.2	
11,760.0	89.10	181.20	10,836.9	7,200.9	-1,153.9	235.3	1,159.8	0.9	
11,824.0	89.70	180.70	10,837.5	7,201.5	-1,217.9	234.2	1,223.8	1.2	
11,888.0	88.00	180.00	10,838.8	7,202.8	-1,281.9	233.9	1,287.7	2.8	
11,920.0	87.90	180.00	10,840.0	7,204.0	-1,313.8	233.9	1,319.7	0.3	
11,983.0	88.30	179.90	10,842.0	7,206.0	-1,376.8	233.9	1,382.6	0.6	
12,015.0	88.80	179.30	10,842.9	7,206.9	-1,408.8	234.1	1,414.6	2.4	
12,047.0	89.00	180.40	10,843.5	7,207.5	-1,440.8	234.2	1,446.6	3.4	
12,110.0	87.80	181.80	10,845.2	7,209.2	-1,503.8	233.0	1,509.5	2.9	
12,142.0	88.00	181.80	10,846.4	7,210.4	-1,535.7	232.0	1,541.4	0.6	
12,206.0	88.80	182.00	10,848.2	7,212.2	-1,599.7	229.9	1,605.3	1.2	
12,269.0	89.80	181.20	10,849.0	7,213.0	-1,662.6	228.1	1,668.2	2.0	
12,301.0	90.40	180.90	10,848.9	7,212.9	-1,694.6	227.5	1,700.2	2.1	
12,333.0	89.00	181.30	10,849.1	7,213.1	-1,726.6	226.9	1,732.1	4.5	
12,397.0	86.70	181.50	10,851.5	7,215.5	-1,790.5	225.4	1,796.0	3.6	
12,493.0	87.70	180.20	10,856.2	7,220.2	-1,886.4	223.9	1,891.8	1.7	
12,588.0	89.10	178.80	10,858.8	7,222.8	-1,981.4	224.8	1,986.7	2.0	
12,683.0	89.40	178.90	10,860.1	7,224.1	-2,076.3	226.7	2,081.7	0.3	
12,779.0	89.50	179.60	10,861.0	7,225.0	-2,172.3	227.9	2,177.7	0.7	
12,874.0	89.60	181.60	10,861.7	7,225.7	-2,267.3	226.9	2,272.6	2.1	

7015 0640 0000 3691 8693

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*Domestic Mail Only*

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Certified Mail Fee	\$3.45
Postage	\$1.20
<b>Total Postage and Fee</b>	<b>\$7.45</b>

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postmark Here

10/29/2015

Sent To  
Street and Apt. No.  
City, State, ZIP+4®  
**United States Dept of Interior  
Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88220**

PS Form 3800, April 2010

7015 0640 0000 3691 8708

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Certified Mail Fee	\$3.45
Postage	\$1.20
<b>Total Postage and Fee</b>	<b>\$7.45</b>

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postmark Here

10/29/2015

Sent To  
Street and Apt. No.  
City, State, ZIP+4®  
**Legacy Reserves Operating  
Attn: Kyle McGraw  
303 W. Wall Street, Suite 1800  
Midland, TX 79701**

PS Form 3800, April 2010

Owl SWD Operating, L.L.C.  
Smith Ranch Federal SWD # 1  
API # Not yet assigned  
1980 FSL X 990 FEL  
Unit Letter "I", Section 6, T20S, R34E  
Lea County, New Mexico

**Produced Water**

**Data obtained from Go-Tech**

API	Formation	TDS	Chorides
3002533574	Bone Spring	No Data	167962
3002511950	Devonian	31931	20450
3001527248	Delaware	No Data	189957
3002520261	Bone Spring	204652	130000
3002508182	Delaware	308600	No Data
3001502520	Morrow	102849	No Data
3002520444	Atoka	51475	31000

**Exhibit "D"**



[www.pwllc.net](http://www.pwllc.net)

OWL SWD Operating, L.L.C.  
Smith Ranch Federal # 1  
API # Not yet assigned  
1980 FSL X 990 FEL  
Unit Letter "I", Section 6, T20S, R34E  
Lea County, New Mexico  
*C108(Application for Authorization to Inject)*

IX.

Stimulation will be developed from open hole log analysis and injection rates

X.

Logs and completion data will be submitted when complete

XI.

One fresh water well was identified in the AOR.

Please see Exhibit "E" for well data

XII.

Available geological and engineering data have been examined and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.

XIII.

Please see Exhibit "F" for Proof of Notice and publication.

Billy E. Prichard   
Agent for OWL SWD Operating, L.L.C.

Date

4/30/15





C-108 Review Checklist: Received \_\_\_\_\_ Add. Request: \_\_\_\_\_ Reply Date: \_\_\_\_\_ Suspended: \_\_\_\_\_ {Ver 15}

ORDER TYPE: WFX / PMX / SWD Number: \_\_\_\_\_ Order Date: \_\_\_\_\_ Legacy Permits/Orders: \_\_\_\_\_

Well No. 1 Well Name(s): Smith Ranch SW

API: 30-0 25-Pending Spud Date: T131 New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 150 LF SLL Lot \_\_\_\_\_ or Unit 2 Sec 6 Tsp 205 Rge 345 County LEV

General Location: 225 miles SW Hobbs Pool: Suniprium Pool No.: 9614

BLM 100K Map: Hobbs Operator: Operating LLC OGRID: 30834 Contact: Butler

COMPLIANCE RULE 5.9: Total Wells: 16 Inactive: Y Fincl Assur: Y Compl. Order? NA IS 5.9 OK? Y Date: 11-13-15

WELL FILE REVIEWED ☐ Current Status: Proposed.

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: N/A

Planned Rehab Work to Well: C-B-L from 17" Liner - Surface.

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Sk or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Surface	<u>24"/20"</u>	<u>1500</u>	<u>1788</u>	<u>SURFACE/LIS4C</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod	<u>17 1/2"/12 9/8"</u>	<u>5500</u>	<u>4275</u>	<u>SURFACE/LIS4C</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Interm/Prod	<u>12 1/4"/9 5/8"</u>	<u>10825</u>	<u>2087</u>	<u>SURFACE/LIS4C</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Prod/Liner	<u>8 1/2"/7"</u>	<u>14625</u>	<u>10625</u>	<u>C-B-L</u>
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Liner				
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> OH / PERF	<u>14625/1525</u>		<u>1000</u>	

Injection Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	<u>14625</u>	<u>14400</u>	<u>13800</u>	Drilled TD <u>15625</u> PBSD
Confining Unit: Litho. Struc. Por.		<u>14400</u>	<u>13800</u>	NEW TD _____ NEW PBSD _____
Proposed Inj Interval TOP:	<u>14625</u>			NEW Open Hole <input checked="" type="radio"/> or NEW Perfs <input type="radio"/>
Proposed Inj Interval BOTTOM:	<u>10625</u>			Tubing Size <u>52</u> in. Inter Coated? <u>Y</u>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth <u>14525</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>14525</u> (100-ft limit)
				Proposed Max. Surface Press. <u>2925</u> psi
				Admin. Inj. Press. <u>2925</u> (0.2 psi per ft)

#### AOR: Hydrologic and Geologic Information

POTASH: R-111-P Noticed? ☐ BLM Sec Ord ☐ WIPP ☐ Noticed? ☐ Salt/Salado T: \_\_\_\_\_ B: \_\_\_\_\_ NW: Cliff House fm \_\_\_\_\_

FRESH WATER: Aquifer N/A Max Depth \_\_\_\_\_ HYDRO AFFIRM STATEMENT By Qualified Person ☒

NMOSE Basin: CAPITAN CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? \_\_\_\_\_ FW Analysis \_\_\_\_\_

Disposal Fluid: Formation Source(s) Bone Spring Analysis? Y On Lease ☐ Operator Only ☐ or Commercial ☐

Disposal Int: Inject Rate (Avg/Max BWPD): 15,000/25,000 Protectable Waters? N/A Source: \_\_\_\_\_ System: Closed or Open

HC Potential: Producing Interval? N/A Formerly Producing? \_\_\_\_\_ Method: Logs/DST/P&A/Other \_\_\_\_\_ 2-Mile Radius Pool Map ☐

AOR Wells: 1/2-M Radius Map? Y Well List? \_\_\_\_\_ Total No. Wells Penetrating Interval: \_\_\_\_\_ Horizontals? \_\_\_\_\_

Penetrating Wells: No. Active Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

Penetrating Wells: No. P&A Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

NOTICE: Newspaper Date BLM Mineral Owner BLM Surface Owner REC N. Date 10-25-15

RULE 26.7(A): Identified Tracts? Y Affected Persons: LEGACY BLM N. Date 10-25-15

Order Conditions: Issues: \_\_\_\_\_

Add Order Cond: C-B-L Liner to Surface because AN APPLICATION