

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



- must have drawings w/ connected tubing

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 _____

- SWD-1615
- OULSWD operating, LLC
308339
well
- Talon SWD #1
30025-42761
Pool
- SWD, Deudonian
Silurian
4401
97869

- [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, The original AOP will be submitted under separate cover when received.
- [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 E. Prichard
 Print or Type Name

Billy E. Prichard
 Signature

Agent for OWL, SWD Operating, LLC
 Title

11/17/15
 Date

billy@pwllc.net
 e-mail Address

Pueblo West Resources
125 Greathouse Village
Decatur, Texas 76234
432-934-7680

RECEIVED OGD

2015 NOV 19 P 2:43

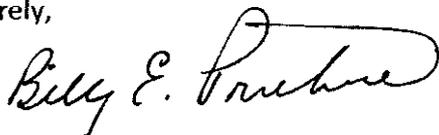
November 17, 2015

Per the rules and regulations of the New Mexico Oil Conservation Division, please find enclosed a copy of NMOCD form C108. This deeper application replaces the C108 application filed for this same well on September 30, 2015. The previous application requesting approval for injection in the San Andres – Delaware formations is hereby withdrawn.

OWL SWD Operating, LLC, 8214 Westchester Drive, Suite 850, Dallas, TX 75255 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to drill and convert the Talon SWD #1, API 30-025-42761, 1880 FNL x 330 FWL, Unit Letter "E", Section 20, T18S, R34E, Lea County, New Mexico to a commercial salt water disposal well. The proposed disposal interval is the Devonian – Silurian formations through open hole at approximately 14,900' – 15,900'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal rate is 15,000 BWPD with a maximum disposal rate of 25,000 BWPD. Anticipated disposal pressure is 0 (zero) psi with a maximum disposal pressure of 2980 psi. The well is located approximately 6.5 miles southwest of Buckeye, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Billy E. Prichard 432-934-7680.

Sincerely,



Billy E. Prichard
Agent for OWL SWD Operating, LLC
Email: billy@pwillc.net
Fax: 940-627-5449



www.pwillc.net

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: Billy E. Prichard Agent for OWL SWD Operating, LLC PHONE: 432-934-7680
- 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:
- Proposed average and maximum daily rate and volume of fluids to be injected;
 - Whether the system is open or closed;
 - Proposed average and maximum injection pressure;
 - Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 - 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: Billy E. Prichard TITLE: Agent for OWL SWD Operating,
LLC
- SIGNATURE: *Billy E. Prichard* DATE: 11/17/15
- E-MAIL ADDRESS: billy@pwillc.net
- * 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: _____

**OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico
C108 Application for Authorization to Inject**

I.

The purpose of this application is to drill and equip the Talon SWD #1 as a commercial Devonian – Silurian salt water disposal well. This application qualifies for administrative approval.

II.

**Operator: OWL SWD Operating, LLC OGRID: 308339
Address: 8214 Westchester Drive, Suite 850, Dallas, TX 75255
Contact Party: Billy E. Prichard 432-934-7680 email: billy@pwllc.net**

III.

Please see Exhibit "A" for proposed well data.

IV.

This is not an expansion of an existing project.

V.

Please see Exhibit "B" of lease map.

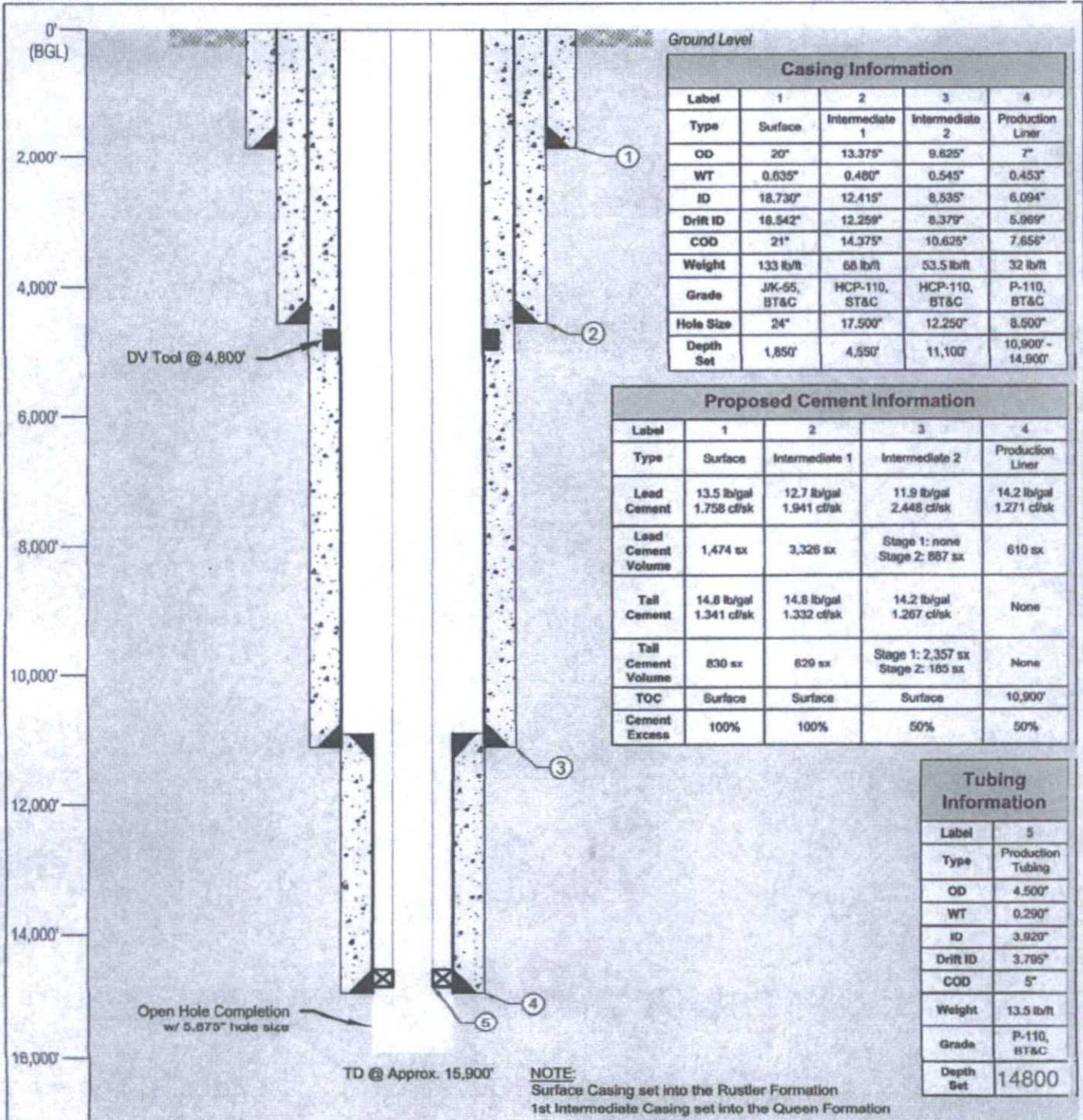
VI.

There are no wells identified within the 0.5 mile Area of Review that penetrate the proposed disposal zone. There are eight wells identified within the AOR that do not penetrate the proposed disposal zone. Please see Exhibit "C" for offset well data.

VII.

- 1. Anticipated disposal volume – 15,000 BWPD with a maximum of 25,000 BWPD.**
- 2. System will be open.**
- 3. Anticipated disposal pressure: Minimum 0 (zero) psig, Maximum 2980 psig.**
- 4. Please see Exhibit "D" for disposed fluid analysis.**
- 5. Please see Exhibit "D" for disposal zone fluid analysis.**





LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS AUSTIN HOUSTON WICHITA CALGARY	OWL SWD Operating, Inc	Talon SWD No. 1	
	Country: USA	State/Province: New Mexico	County/Parish: Lea
Survey/STR: E-20-18S-34E	API No.: 30-025-42761	Site:	Status: To Be Drilled
Texas License: F-8952	State ID No.:	Field:	Ground Elevation:
3345 Bee Cave Road, Suite 201 Austin, Texas 78746 Tel: 512.732.9812 Fax: 512.732.9816	Drawn: MMC	Project No.:	Date: 1/15/2016
Rev No.: 1	Reviewed: SLP		
Notes: Devonian completion with 4-1/2" Injection Tubing.			

"Exhibit A"

Talon_Devonian - Wellbore_APD_Calculation_4.5 in.xlsx

20	surface csg in a		24	inch hole.		Design Factors		SURFACE	
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	133.00	J 55	BUTT	8.18	1.53	1.2	1,850	246,050	
"B"							0	0	
w/8.4#/g mud, 30min 5fc Csg Test psig: 1,335				Tail Cmt	does not	circ to sfc.	Totals:	1,850	246,050
Comparison of Proposed to Minimum Required Cement Volumes									
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
24	0.9599	2304	3704	1852	100	10.20	1552	2M	1.50

13 3/8	casing inside the		20			Design Factors		INTERMEDIATE	
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	68.00	HCP 110	ST&C	4.19	1.14	1.07	4,550	309,400	
"B"							0	0	
w/8.4#/g mud, 30min 5fc Csg Test psig:							Totals:	4,550	309,400
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		1850	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
17 1/2	0.6946	3955	7294	3647	100	10.80	4016	5M	1.56

9 5/8	casing inside the		13 3/8			Design Factors		PRODUCTION	
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	53.50	HCP 110	BUTT	2.88	1.37	1.15	11,100	593,850	
"B"							0	0	
w/8.4#/g mud, 30min 5fc Csg Test psig: 2,442							Totals:	11,100	593,850
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		4550	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
12 1/4	0.3132	look v	0	3595		11.20	6165	10M	0.81
Setting Depths for D V Tool(s):				4800			sum of sx	Σ CuFt	Σ % excess
% excess cmt by stage:		50	50				3429	5392	50
Class 'H' tail cmt yld > 1.20				MASP is within 10% of 5000psig, need exrta equip?					

7	Liner w/top @		10900			Design Factors		LINER	
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	32.00	P 110	BUTT	2.15	1.14	1.23	4,000	128,000	
"B"							0	0	
w/8.4#/g mud, 30min 5fc Csg Test psig: 3,278							Totals:	4,000	128,000
The cement volume(s) are intended to achieve a top of				10900	ft from surface or a		200	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
8 1/2	0.1268	610	775	517	50	12.20			0.422
Capitan Reef est top XXXX.				MASP is within 10% of 5000psig, need exrta equip?					

OWL SWD Operating, LLC
 Talon SWD #1
 API # 30-025-42761
 1880 FNL x 330 FWL
 Unit Letter 'E', Section 20, T18S, R34E
 Lea County, New Mexico
C108 Application for Authorization to Inject

VIII.

<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>	<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>
Rustler	1823	Strawn	12,210
Salado	1896	Atoka	12,520
Yates	3343	Morrow	13,250
Seven Rivers	3815	Mississippian	14,030
Queen	4542	Devonian	14,862
Delaware	5973	Proposed Disp Zone	14,900 – 15,900
Bone Spring	7386	Montoya	16,600
Wolfcamp	10,554		

IX.

No stimulation planned at this time.

X.

All logs performed will be submitted after completion.

XI.

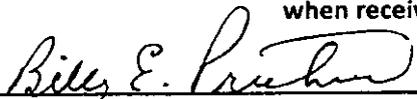
NM OSE records indicate that there are six water wells within the 1 mile Area of Review. New samples from the nearest water wells were obtained September 10, 2015. GO-Tech and recent test results are included in Exhibit "E". The nearest water well is located approximately 2235' from the proposed Talon SWD #1.

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". The original AOP will be submitted under separate cover when received.

Billy E. Prichard 
 Agent for OWL SWD Operating, LLC

Date: 11/17/15



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Page 2 of 2

**OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico
Well Data**

Propose to drill salt water disposal well in the Devonian - Silurian formations.

Drill 24" hole to 1850', run 20" 133# surface casing to 1850', cement with 2304 sacks cement. Circulate cement to surface.

Drill 17-1/2" hole to 4550', run 13-3/8" 68# intermediate casing to 4550', cement with 3955 sacks cement. Circulate cement to surface.

Drill 12-1/4" hole to 11,100', run 9-5/8" 53.5# production casing to 11,100', cement with 2715 sacks cement. Circulate cement to surface.

Drill 8-1/2" hole to 14,900', run 7" 32# liner from 10,900' to 14,900', cement with 610 sacks cement. TOC at 10,900'.

Drill 5-7/8" hole to approximately 15,900' TD, circulate hole clean, log.

Run 5-1/2" 20# tubing, set packer maximum of 100' above top of open hole interval.

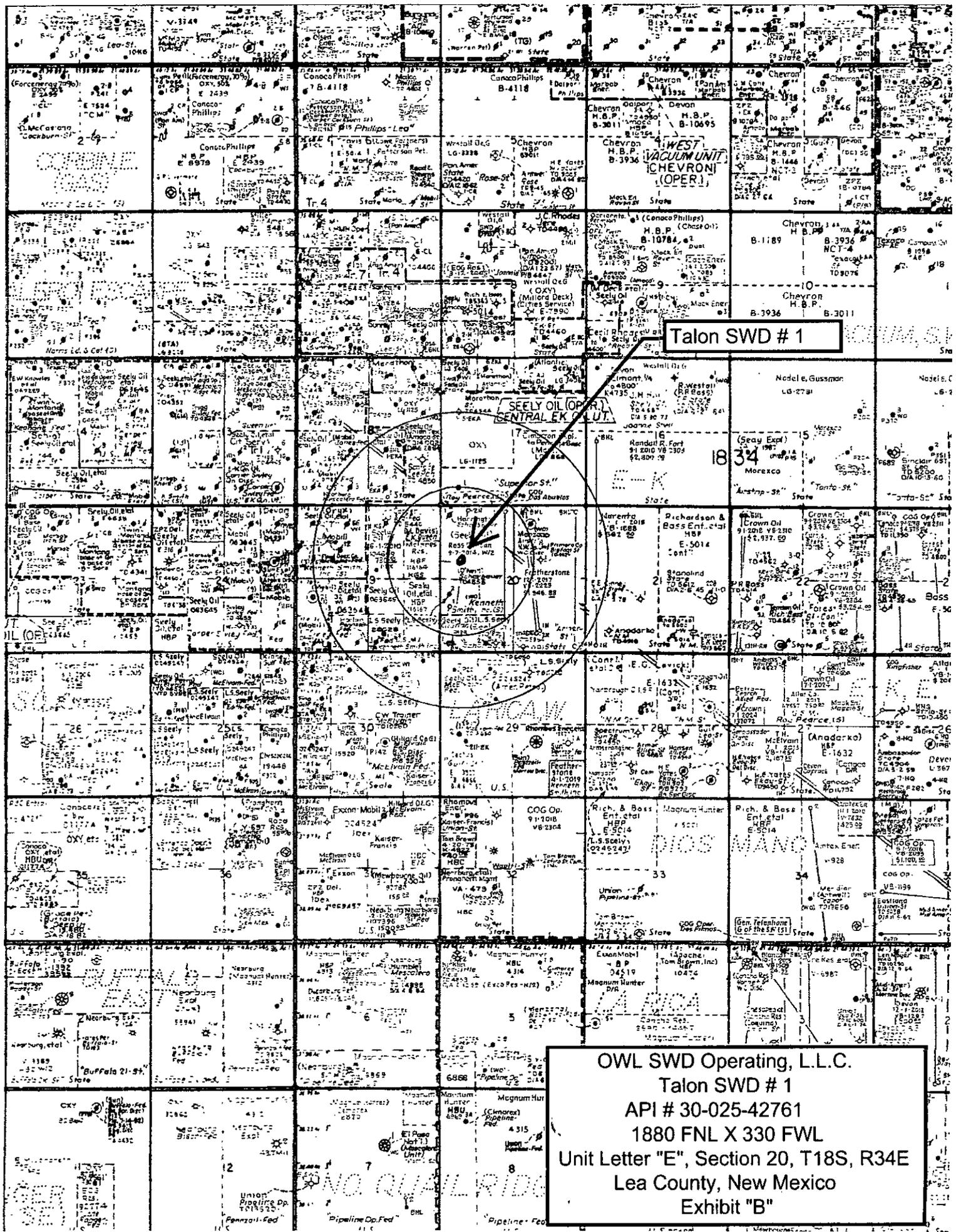
No initial stimulation planned. Perform pump in test to evaluation formation for disposal.

<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>	<u>Formation Tops</u>	<u>Anticipated Depth (ft)</u>
Rustler	1823	Strawn	12,210
Salado	1896	Atoka	12,520
Yates	3343	Morrow	13,250
Seven Rivers	3815	Mississippian	14,030
Queen	4542	Devonian	14,862
Delaware	5973	Proposed Disp Zone	14,900 – 15,900
Bone Spring	7386	Montoya	16,600
Wolfcamp	10,554		



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EXHIBIT "A"



Talon SWD # 1

OWL SWD Operating, L.L.C.
 Talon SWD # 1
 API # 30-025-42761
 1880 FNL X 330 FWL
 Unit Letter "E", Section 20, T18S, R34E
 Lea County, New Mexico
 Exhibit "B"

**OWL SWD Operating, LLC
Proposed Talon SWD #1
0.5 mile Area of Review**

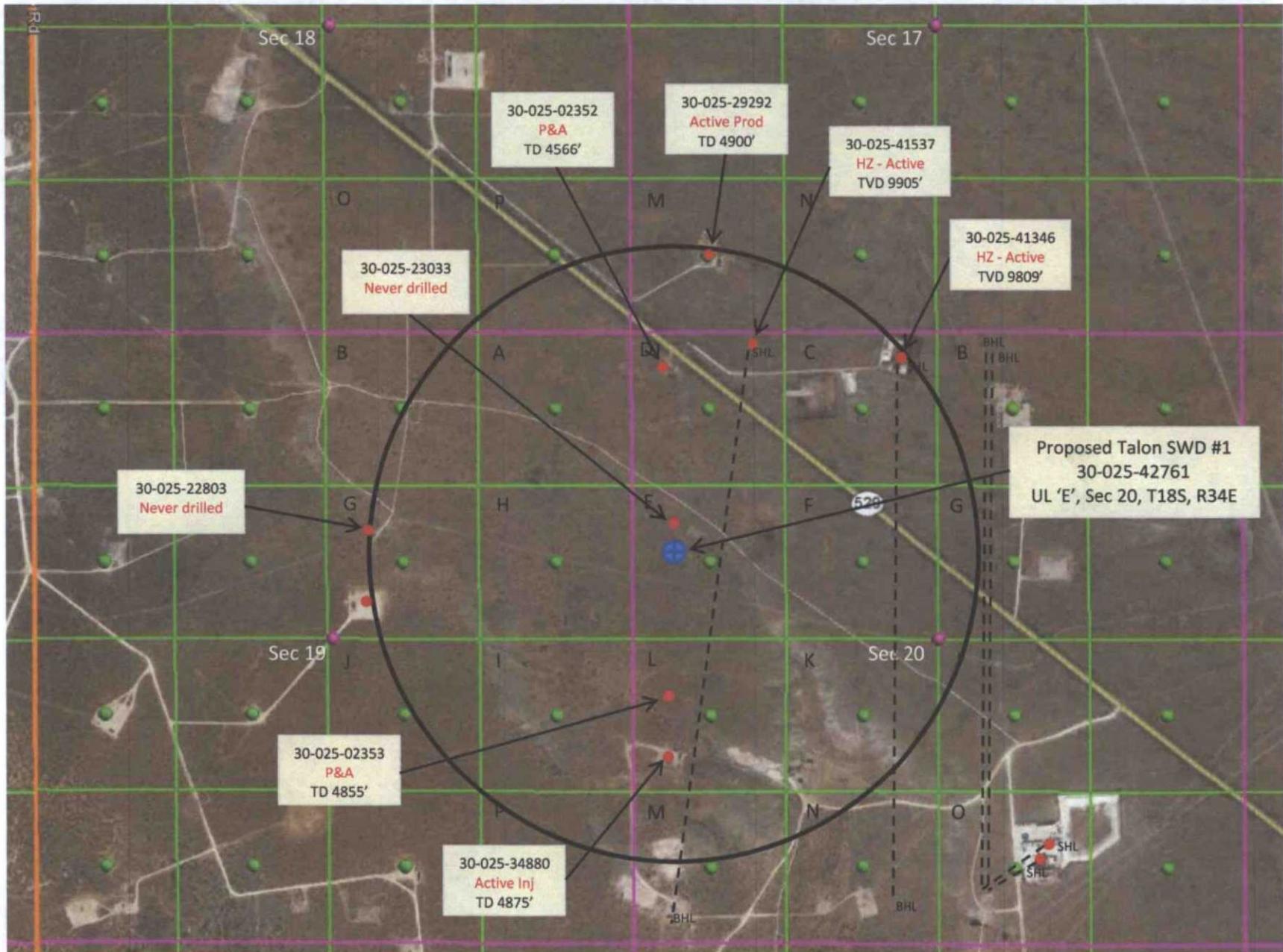


EXHIBIT "C"

**OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
Offset Wells within 0.5 Mile AOR**

Exhibit "C"

There are no wells within the AOR that penetrate the proposed injection zone.

There are Eight Wells within the AOR that Do Not Penetrate the Proposed Injection Zone

UL, Sec, T, R	API Well No.	Well Type	Well Status	Spud Date	TVD	Wellbore Diagram
M-17-18S-34E	30-025-29292	Oil	Active	6/9/85	4900	N
G-19-18S-34E	30-025-22803	Never drilled	NA	NA	-	N
C-20-18S-34E	30-025-41346	Oil - Horiz	Active	3/3/14	9890	Y
C-20-18S-34E	30-025-41537	Oil - Horiz	Active	8/17/14	9905	Y
D-20-18S-34E	30-025-02352	Oil	P&A	2/24/56	4566	N
E-20-18S-34E	30-025-23033	Never drilled	NA	NA	-	N
L-20-18S-34E	30-025-02353	Oil	P&A	1/20/69	4855	N
L-20-18S-34E	30-025-34880	Inj	Active	2/3/00	4875	N

30-025-41346

This horizontal well was drilled to 9942' TVD (14,445' MD) in March, 2014. It produces from perforations in the Bone Spring at 9910' - 14,335'. The surface hole is in UL 'C' and the bottom hole is in UL 'N'. This horizontal well overlies the proposed Talon SWD #1. 5-1/2" production casing was run to 14,428' and cemented with 2240 sks of cement. TOC is at 1370' per CBL. See attached wellbore diagram.

30-025-41537

This horizontal well was drilled to 9905' TVD (14,437' MD) in September, 2014. It produces from perforations in the Bone Spring at 9974' - 14,359'. The surface hole location is in UL 'D' and the bottom hole location is in UL 'M'. This horizontal well overlies the proposed Talon SWD #1. 5-1/2" production casing was run to 14,413' and cemented with 2300 sks of cement. Cement circulated to surface. See attached wellbore diagram.



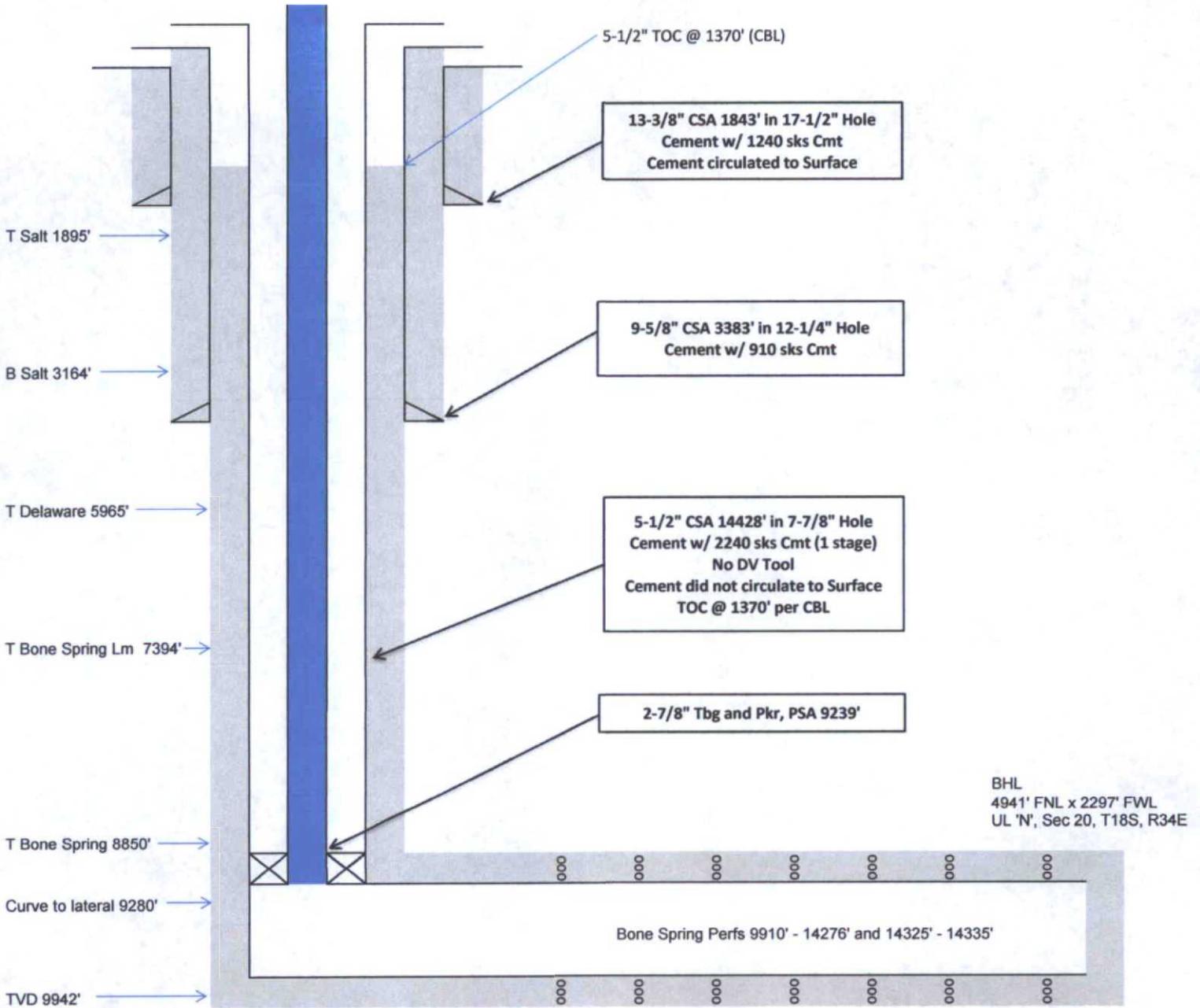
www.pwllc.net

DJH

CURRENT WELLBORE DIAGRAM

COG Operating LLC
Dos Abuelos Fee #1H
API # 30-025-41346
190' FNL x 2310' FWL, UL 'C' Sec 20, T18S, R34E, Lea County, NM
Active Oil Producer

Well Spudded 3/3/14



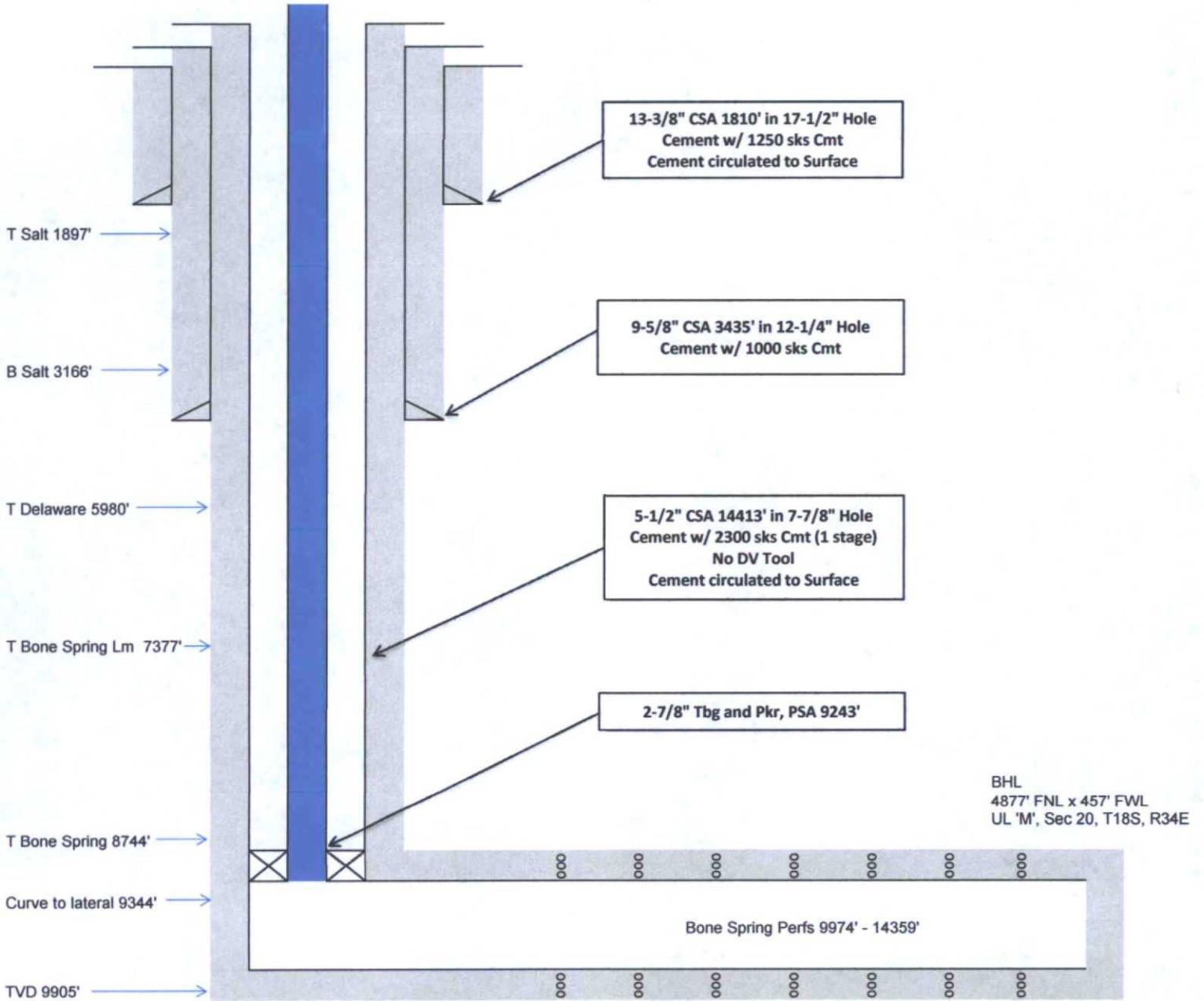
TMD 14445'

EXHIBIT "C"
Drawing Not to Scale

CURRENT WELLBORE DIAGRAM

COG Operating LLC
Dos Abuelos Fee #2H
API # 30-025-41537
190' FNL x 990' FWL, UL 'D' Sec 20, T18S, R34E, Lea County, NM
Active Oil Producer

Well Spudded 8/17/14



TMD 14437'

EXHIBIT "C"
Drawing Not to Scale

OWL SWD Operating, LLC
Talon SWD #001
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico

Exhibit "D"

Formation Water			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-02271	Gbg/SA	227,926	139,200
30-025-30163	Delaware	138,303	87,630

Possible Disposed Fluid			
<u>API Number</u>	<u>Formation</u>	<u>TDS</u>	<u>Chlorides</u>
30-025-02271	Gbg/SA	227,926	139,200
30-025-02321	Abo	55,839	30,850
30-025-02362	Wolfcamp	145,500	87,300
30-025-02370	Artesia	237,614	146,600
30-025-30163	Delaware	138,303	87,630

Data obtained from GO-Tech.



www.pwllc.net



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q 6	Q 4	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 03436	Within AOR	L	LE	1	4	18	18S	34E			631230	3623771	170	125	45
L 05374	Outside AOR	L	LE	2	2	16	18S	34E			634994	3624840*	192	105	87
L 05882		L	LE	1	4	16	18S	34E			634605	3624030*	230	110	120
L 07429		L	LE	1	1	1	19	18S	34E		630523	3623272*	149	105	44
L 09752	Within AOR	L	LE	3	1	2	20	18S	34E		632968	3623188	179	130	49
L 10345 POD2		L	LE	2	3	20	18S	34E			632620	3622393*	130	120	10
L 10346		L	LE		3	20	18S	34E			632425	3622187*	130		
L 10436		L	LE		3	20	18S	34E			632425	3622187*	120	80	40
L 13211 POD1	Outside AOR	L	LE	4	3	4	16	18S	34E		634629	3623592	140		
L 13563 POD1	Within AOR	L	LE	4	4	4	20	18S	34E		633506	3621920	200		

Average Depth to Water: **110 feet**
Minimum Depth: **80 feet**
Maximum Depth: **130 feet**

Record Count: 10

PLSS Search:

Section(s): 16, 17, 18, 19, 20, 21, 29, 30 Township: 18S Range: 34E

EXHIBIT "E"

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1 Mile AOR for Water Wells

T18S, R34E

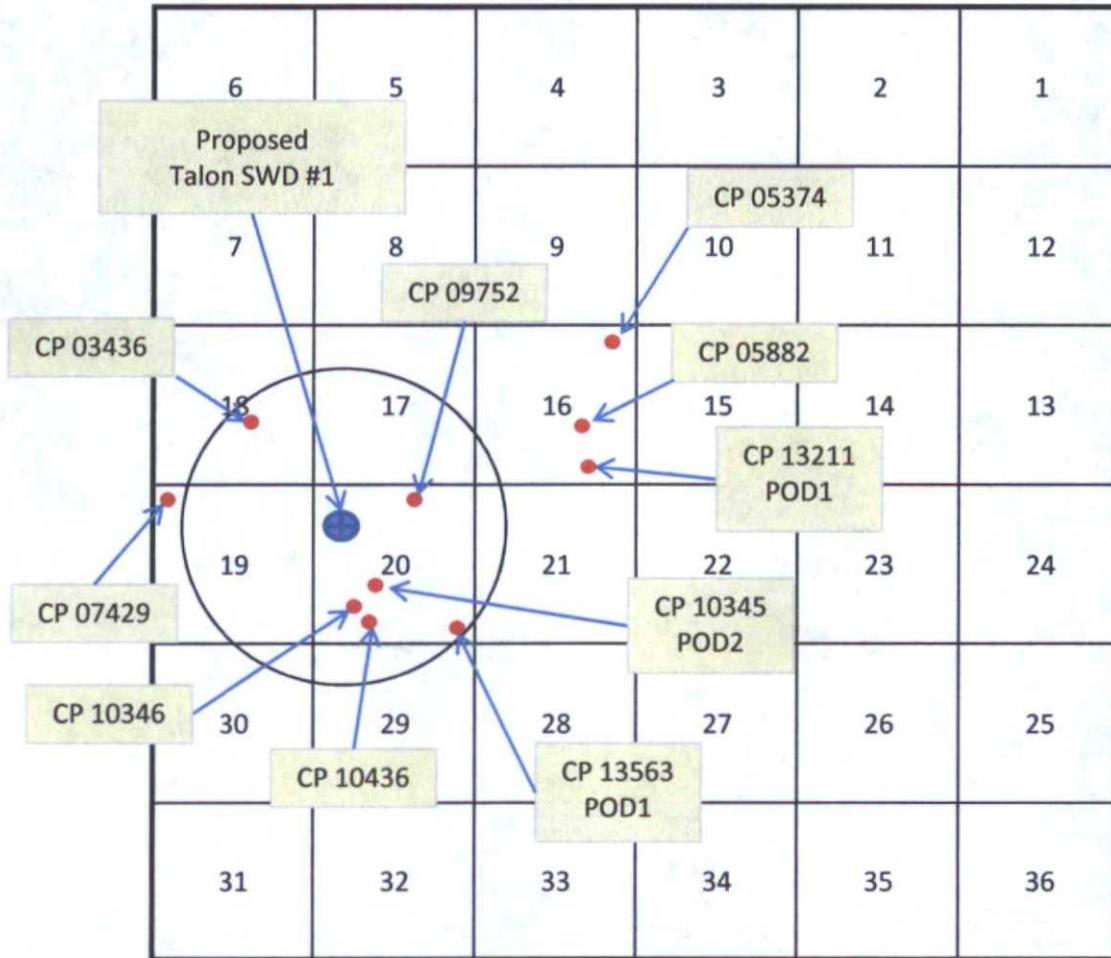


Exhibit "E"

Ground Water Samples Query

Water Sample Search

SECTION 20 ▾
 Township 18S ▾
 Range 34E ▾
 Formation _____
 DATE _____
 CHLORIDE (mg/L) _____

Water Samples for TOWNSHIP 18S RANGE 34E SECTION 20

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	1	20	18S	34E	18S.34E.20.32333

Water Samples

General Information About Sample 12784			
Section/ Township/Range	20 / 18S / 34E	Lat/Long	32.7328-103.582
Elevation	4011	Depth	111
Date Collected	12/1/1995 12:00:00 AM	Chlorides	35
Collector / Point of Collection	SEQDDP	Use	Stack
Formation	QAL	TDS	0

Data from GO-Tech

EXHIBIT "E"

Analytical Results For:

 OILFIELD WATER LOGISTICS
 8214 WESTCHESTER DRIVE, SUITE 850
 DALLAS TX, 75225

 Project: TALON WATER SAMPLE
 Project Number: 2448
 Project Manager: MICHAEL BRANDON
 Fax To:

 Reported:
 17-Sep-15 11:01

L 10345

H502394-01 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories
Inorganic Compounds

Alkalinity, Bicarbonate	195		5.00	mg/L	1	5090114	AP	15-Sep-15	310.1	
Alkalinity, Carbonate	ND		0.00	mg/L	1	5090114	AP	15-Sep-15	310.1	
Chloride*	56.0		4.00	mg/L	1	5091508	AP	15-Sep-15	4500-Cl-B	
Conductivity*	534		1.00	uS/cm	1	5091512	AP	15-Sep-15	120.1	
pH*	7.51		0.100	pH Units	1	5091104	AP	11-Sep-15	150.1	
Sulfate*	18.7		10.0	mg/L	1	5091507	AP	15-Sep-15	375.4	
TDS*	286		5.00	mg/L	1	5091514	AP	16-Sep-15	160.1	
Alkalinity, Total*	160		4.00	mg/L	1	5090114	AP	15-Sep-15	310.1	

Green Analytical Laboratories
Dissolved Metals by ICP

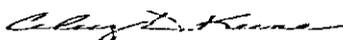
Calcium*	48.8		0.020	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	
Magnesium*	8.91		0.100	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	
Potassium*	2.64		1.00	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	
Sodium*	35.2		1.00	mg/L	1	B509140	JGS	16-Sep-15	EPA200.7	

EXHIBIT "E"

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
1880 FNL x 330 FWL
Unit Letter 'E', Section 20, T18S, R34E
Lea County, New Mexico

Exhibit "E"

Six Ground Water Wells Identified by OSE database Within 1 Mile AOR

<u>POD Number</u>	<u>Location</u>	<u>Well Depth</u>	<u>Water Depth</u>	<u>Sample Date</u>	<u>TDS</u>	<u>Chlorides</u>	<u>Note</u>
L 03436	Sec 18, T18S, R34E	170	125	Unk	Unk	Unk	1
L 09752	Sec 20, T18S, R34E	179	130	Unk	Unk	Unk	1
L 10345	Sec 20, T18S, R34E	130	120	Unk	Unk	Unk	1
L 10345	Sec 20, T18S, R34E	130	120	9/10/15	286	56	2
L 10346	Sec 20, T18S, R34E	130	Unk	Unk	Unk	Unk	1
L 10436	Sec 20, T18S, R34E	120	80	Unk	Unk	Unk	1
L 10436	Sec 20, T18S, R34E	120	80	9/10/15	264	28	2
L 13563	Sec 20, T18S, R34E	200	Unk	Unk	Unk	Unk	1

Historical Water Sample Identified on GO-Tech Database

<u>POD Number</u>	<u>Location</u>	<u>Well Depth</u>	<u>Water Depth</u>	<u>Sample Date</u>	<u>TDS</u>	<u>Chlorides</u>	<u>Note</u>
NA-Well A	Sec 20, T18S, R34E	Unk	Unk	12/1/65	Unk	35	3

1 – No historical water well tests found on these OSE listed wells.

2 – Data from Cardinal Labs report dated 9/17/15.

3 - Historical data obtained from GO-Tech database only. No record of this well in the OSE database. This water well is located approximately 2986 feet from the proposed SWD well.



www.pwllc.net

Legal Notice

LEGAL NOTICE
November 17, 2015

OWL SWD Operating, LLC, 8214 Westchester Drive, Suite 850, Dallas, TX 75255 has filed form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for the drilling and conversion to commercial salt water disposal at the Talon SWD #1, API # 30-025-42761, 1880 FNL X 330 FWL, Unit Letter "E", Section 20, T18S, R34E, Lea County, New Mexico. The proposed disposal interval is the Devonian - Silurian formations through open hole from 14,900' to 15,900'. Disposal fluid would be produced water from producing oil and gas wells in the area. Anticipated disposal volume is 15,000 BWPD with a maximum disposal volume of 25,000 BWPD. Anticipated disposal pressure is 0 (zero) psi with a maximum disposal pressure of 2980 psi. The well is located approximately 6.5 miles southwest of Buckeye, New Mexico.

All interested parties opposing the aforementioned must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 15 days. Additional information can be obtained by contacting Billy E. Prichard at 432-934-7680.
#30490

Scheduled to be printed in the Hobbs News-Sun on November 17, 2015. Original affidavit of publication will be submitted upon receipt.

EXHIBIT "F"

OWL SWD Operating, LLC
Talon SWD #1
API # 30-025-42761
0.5 Mile AOR

RI - State of New Mexico
Oper - Occidental Permian, Ltd

Sec 18, T18S, R34E

Sec 17, T18S, R34E

RI - State of New Mexico
Oper - Hunt Cimarron, LP

RI - BLM
Oper - Seely Oil Co.

RI - BLM
Oper - CW & FT Stumhoffer

RI - BLM
Oper - Seely Oil Co.

Sec 19, T18S, R34E

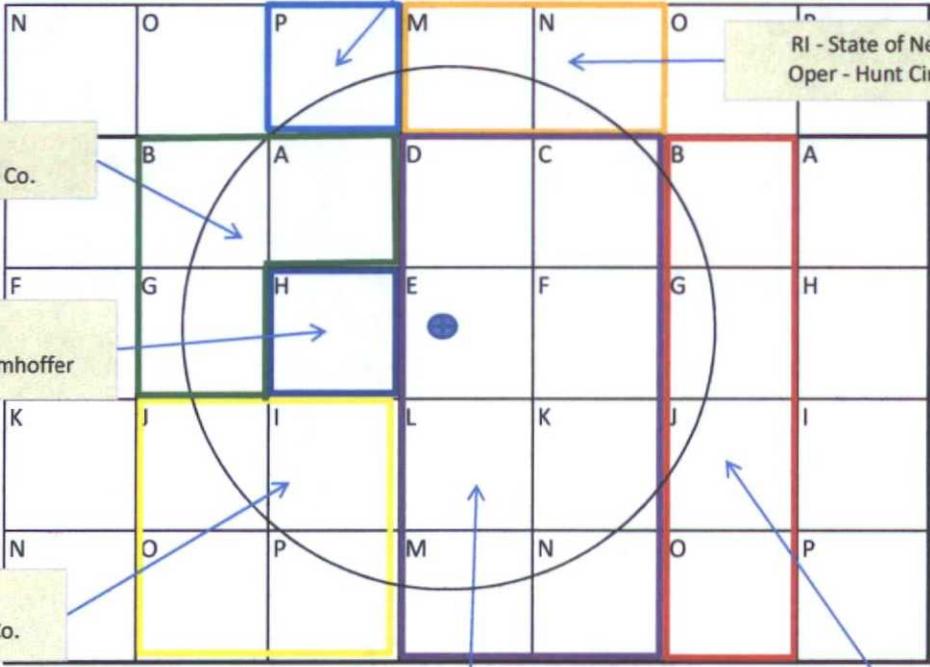
Sec 20, T18S, R34E

RI - Scharbauer Cattle Co
Oper - COG Operating, LLC

RI - State of New Mexico
Oper - Matador Production Co

This location 1880 FNL X 330 FWL
Surface Owner - Kenneth Smith, Inc
267 Smith Ranch Rd, Hobbs, NM 88240-8514
Drawing not to scale

Exhibit "F"



OWL SWD Operating, LLC
 Talon SWD #1
 API #30-025-42761

EXHIBIT 'F' - NOTIFICATION LIST

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	Kenneth Smith, Inc.	267 Smith Ranch Rd	Hobbs, NM 88240-8514	Surf Owner

S2SW, Section 17, T18S, R34E, NMPM (ULs M, N)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504-1148	Mineral Owner
2	Mobil Producing Texas & NM, Inc.	P. O. Box 2305	Houston, TX 77252-2305	Leasehold Owner
3	Hunt Cimarron, LP	P. O. Box 1592	Roswell, NM 88202-1592	Operator

SESE, Section 18, T18S, R34E, NMPM (UL P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504-1148	Mineral Owner
2	Occidental Permian, Ltd	P. O. Box 4294	Houston, TX 77210	Leasehold Owner/Oper

N2NE, SWNE, Section 19, T18S, R34E, NMPM (ULs A, B, G)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
2	Seely Oil Co.	815 W 10th St	Ft Worth, TX 76102	Leasehold Owner/Oper

SENE, Section 19, T18S, R34E, NMPM (UL H)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
2	Clarence W. & Freida T. Stumhoffer	3108 Overton Park Drive, West	Ft Worth, TX 76109	Leasehold Owner/Oper

SE4, Section 19, T18S, R34E, NMPM (ULs I, J, O, P)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	United States Dept of Interior Bureau of Land Management	620 E. Greene Street	Carlsbad, NM 88220	Mineral Owner
2	Seely Oil Co.	815 W 10th St	Ft Worth, TX 76102	Leasehold Owner/Oper

W2, Section 20, T18S, R34E, NMPM (ULs C, D, E, F, K, L, M, N)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	Scharbauer Cattle Company	303 W Wall St	Midland, TX 79701	Mineral Owner
2	COG Operating, LLC	550 W Texas Ave, Suite 1300	Midland, TX 79701	Leasehold Owner/Oper

OWL SWD Operating, LLC
 Talon SWD #1
 API #30-025-42761

W2NE, NWSE, Section 20, T18S, R34E, NMPM (ULs B, G, J)

#	NAME	ADDRESS	CITY STATE ZIP	TYPE
1	State of New Mexico Commissioner of Public Land	P. O. Box 1148	Santa Fe, NM 87504-1148	Mineral Owner
2	MRC Permian Company c/o Matador Production Co	5400 LBJ Freeway, Suite 1500	Dallas, TX 75240	Leasehold Owner/Oper

NMOCD Noticees

#	NAME	ADDRESS	CITY STATE ZIP
1	State of New Mexico NMOCD Engineering Bureau	1220 South St. Francis Drive	Santa Fe, NM 87505
2	State of New Mexico NMOCD District 1	1625 N. French Drive	Hobbs, NM 88240

7015 0640 0000 0490 5T02

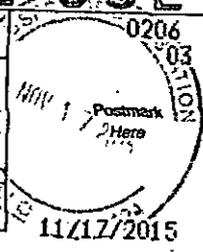
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Bureau of Land Management
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Carlsbad, NM 88220

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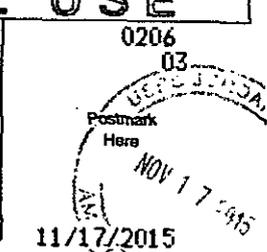
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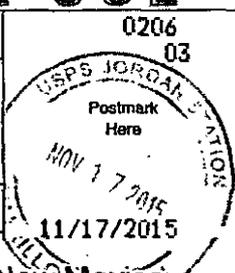
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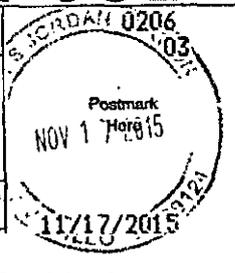
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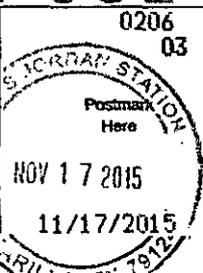
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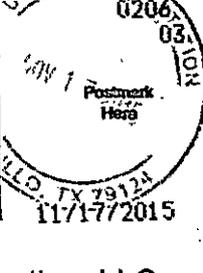
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Street and Apt. No. 303 W. Wall St.
City, State, ZIP+4® Midland, TX 79701

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C-108 Review Checklist: Received 11/4/2015 Add. Request: 1/6/2016 Reply Date: 2/15/2016 Suspended: _____ [Ver 15]

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

Well No. K Well Name(s): TALON SWD

API: 30-0 25-42761 Spud Date: TBD New or Old: NO (UIC Class II Primacy 03/07/1982)

Footages 330FWL Lot _____ or Unit B Sec 20 Tsp 18S Rge 34E County Leq

General Location: 22 miles SW / Hobbs Pool: SWD, DEVONIAN Pool No.: 66101

BLM 100K Map: Hobbs Operator: operating, LLC OGRID: 308339 Contact: Billie Pritchard, JCC

COMPLIANCE RULE 5.9: Total Wells: 19 Inactive: 2 Fincl Assur: Y Compl. Order? NA IS 5.9 OK? Y Date: 2-05-16

WELL FILE REVIEWED Current Status: Proposed -> Devonian - SILURIAN

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

Planned Rehab Work to Well: *C-B-L Liner-Surf FWL

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement (Sk or Cf)	Cement Top and Determination Method
Planned ___ or Existing ___ Surface	2.4" / 2.0"	1850	230Y	SURFACE / VISUAL
Planned ___ or Existing ___ Interm/Prod	17" / 13 3/8"	4550	3955	SURFACE / VISUAL
Planned ___ or Existing ___ Interm/Prod	12 1/4" / 9 5/8"	11100	27153Y	SURFACE / VISUAL
Planned ___ or Existing ___ Prod (Liner)	8" / 7 1/2"	14900	610	10900 / *C-B-L
Planned ___ or Existing ___ Liner				
Planned ___ or Existing ___ <input checked="" type="checkbox"/> PERF	14900 / 15900			

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		DEV	14822	Drilled TD <u>15900</u> PBTD _____
Confining Unit: Litho. Struc. Por.		MS	14000	NEW TD _____ NEW PBTD _____
Proposed Inj Interval TOP:	14900			NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/>
Proposed Inj Interval BOTTOM:	15900			Tubing Size <u>4 1/2"</u> in. Inter Coated? <u>Y</u>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth <u>14800</u> ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth <u>14800</u> (100-ft limit)
				Proposed Max. Surface Press. <u>2980</u> psi
				Admin. Inj. Press. <u>2980</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? _____ BLM Sec Ord WIPP Noticed? _____ Salt/Salado T: 1823 B: 307 NW: Cliff House fm _____

FRESH WATER: Aquifer Guadalupe Max Depth 130' HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: Leq CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? 7 FW Analysis Y

Disposal Fluid: Formation Source(s) Delaware, Wolfcamp, 150 Analysis? Y On Lease Operator Only or Commercial

Disposal Int: Inject Rate (Avg/Max BWPDP): 15K/25K Protectable Waters? _____ Source: _____ System: Closed or Open

HC Potential: Producing Interval? NA Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? Y Well List? Y Total No. Wells Penetrating Interval: 0 Horizontals? 0

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 11/17 Mineral Owner Shawnee Surface Owner Kenneth Smith, Inc N. Date 11/17

RULE 26.7(A): Identified Tracts? Y Affected Persons: COG, Matador, Oxy, Stambaugh, Green N. Date 11/17

Order Conditions: Issues: _____

Add Order Cond: _____

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Wednesday, January 06, 2016 1:13 PM
To: Bill Prichard
Cc: Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Lowe, Leonard, EMNRD
Subject: OWL SWD Operating Talon SWD Well No.1 Lea Co.

Billy:
I have reviewed the OWL SWD Operating Talon SWD Well No.1.
The modification for this well is that OWL will be required to run a 4-1/2 tubing in the well.
OWL will be expected to resubmit a revised drawing and casing and cement specs with the revised tubing requirement.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462
Michael.mcmillan@state.nm.us

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. 30-025-42761	<input checked="" type="checkbox"/>
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 Talon SWD	<input checked="" type="checkbox"/>
8. Well Number 1	<input checked="" type="checkbox"/>
9. OGRID Number 308339	
10. Pool name or Wildcat Devonian - Silurian	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4064 GL	

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 **HOBBS OCD**

2. Name of Operator
OWL SWD Operating, LLC

3. Address of Operator
8214 Westchester Drive, Suite 850, Dallas, TX 75235

4. Well Location
Unit Letter E 1880 feet from the North line and 330 feet from the West line
Section 20 Township 18S Range 34E NMPM Lea County

RECEIVED
 JAN 25 2016

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"/>			
OTHER: <input type="checkbox"/>		OTHER: <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.

At the request of the NMOCD Engineering Bureau, OWL SWD Operating, LLC proposes to change the tubing size for this proposed SWD well from 5-1/2" to 4-1/2".

See revised wellbore diagram attached.

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 SWD Operating, LLC DATE 1/18/16

Type or print name Billy E. Prichard E-mail address: billy@pwilc.net PHONE: 432-934-7680

For State Use Only

APPROVED BY: [Signature] TITLE: Petroleum Engineer DATE: 01/29/16
 Conditions of Approval (if any):

JAN 29 2016 [Signature]

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
November 17, 2015
and ending with the issue dated
November 17, 2015.



Publisher

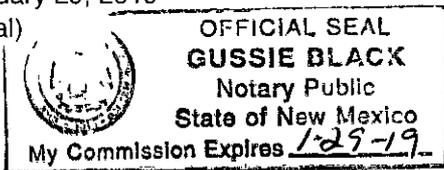
Sworn and subscribed to before me this
17th day of November 2015.



Business Manager

My commission expires
January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL NOTICE
November 17, 2015

OWL SWD Operating, LLC
8214 Westchester Drive
Suite 850, Dallas, TX 75258
has filed form C108
(Application for Authorization
to Inject) with the New
Mexico Oil Conservator
Division seeking
administrative approval to
the drilling and conversion to
commercial salt water
disposal at the Talon SWD
#1, API # 30-025-42761
1860 FNL X 330 FWL, Uni
Letter "E", Section 20, T18S
R34E, Lea County, New
Mexico. The proposed
disposal interval is the
Devonian - Silurian
formations through oper
hole from 14,900' to 15,900'
Disposal fluid would be
produced water from
producing oil and gas wells
in the area. Anticipated
disposal volume is 15,000
BWPD with a maximum
disposal volume of 25,000
BWPD. Anticipated disposa
pressure is 0 (zero) psi with
a maximum disposa
pressure of 2980 psi. The
well is located approximately
6.5 miles southwest of
Buckeye, New Mexico.

All interested parties
opposing the
aforementioned must file
objections with the New
Mexico Oil Conservator
Division, 1220 South St
Francis Drive, Santa Fe
New Mexico 87505 within 15
days. Additional information
can be obtained by
contacting Billy E. Prichard
at 432-934-7680.
#30490

02107812

00166471

BILLY E./SHARON PRICHARD
PUEBLO WEST LLC
125 GREENHOUSE VILLAGE
DECATUR, TX 76234