TYPE SWD

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



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June 3, 2017

New Mexico Oil Conservation Division 1220 South St Francis Drive Santa Fe, New Mexico 87505

Attn Mr David Catanach, Director

Re Application of Owl SWD Operating, LLC to permit for salt water disposal the Gold Coast 26 Federal SWD Well No 3, [new drill] located in Section 26, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico

Dear Mr Catanach,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to complete for disposal, the proposed Gold Coast 26 Federal SWD No 3

I would like to point out that COG Operating, LLC had already submitted a C-108 for this proposed well and received approval however, COG never submitted the C-101 so there is not applicable API number assigned to the proposed well, as of yet. The parties discussed a transfer but without an API, it was obvious that Owl must re-file the C-108. While I've updated some of the exhibits for clarity, the proposed well data and construction is exactly as permitted by SWD-1566, approved August 14, 2015. While the following C-108 is full and complete in its own right, there have been no changes in the AOR or other pertinent details of the proposed operation.

Owl SWD Operating seeks to provide quality facilities and options for area operators' disposal needed and to optimize efficiency, both economically and operationally, of its assets. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights

Published legal notice ran in the June 1, 2017 edition of the Hobbs News-Sun and all offset operators and other interested parties have been notified individually. The legal notice affidavit will be forwarded when received. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on federal lands and a copy of this application has been furnished to the Bureau of Land Management, CFO Oil and Gas Division.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me

Best regards,

Ben Stone, Partner SOS Consulting, LLC

Agent for Owl SWD Operating, LLC

Cc Application attachment and file

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM,C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

ľ	PURPOSE	Salt Water Disposal and the application QUALIFIES for administrative app	roval	
II	OPERATOR ADDRESS	Owl SWD Operating, LLC 8214 Westchester Dr., Ste 850, Dallas, TX 75255		
	CONTACT PARTY	Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850		
Ш	WELL DATA All w	ell data and applicable wellbore diagrams are ATTACHED.		
IV	This is not an expa	nsion of an existing project.		
V		that identifies all wells and leases within two miles of any proposed injection veach proposed injection well. This circle identifies the well's area of review	vell with	n a one-half mile radius
*VI	There are NO (0) W	hed of data on all wells of public record within the area of review which penetr Yells in the subject AOR. The data includes a description of each well's type a schematic of any plugged well illustrating all plugging detail NO P&A Wel l	, const	
VII	The following data	is ATTACHED on the proposed operation, including		
	 Whether the sys Proposed avera Sources and an produced water If injection is for 	ge and maximum daily rate and volume of fluids to be injected, item is open or closed, ge and maximum injection pressure, appropriate analysis of injection fluid and compatibility with the receiving form, and, and and compatibility with the receiving form and, and are supposed into a zone not productive of oil or gas at or within one miless of the disposal zone formation water (may be measured or inferred from examples).	e of the	proposed well, attach a
*VIII	thickness, and der containing waters	egic data on the injection zone is ATTACHED including appropriate lithologist Give the geologic name, and depth to bottom of all underground sour with total dissolved solids concentrations of 10,000 mg/l or less) overlying cources known to be immediately underlying the injection interval	ces of	drinking water (aquifers
IX	Stimulation progra	m – a conventional acid job may be performed to clean and open the fo	matioı	7.
*X		e logging and test data on the well (If well logs have been filed with the D II Logs will be filed with OCD.	ivision	, they need not be
*XI	There are NO (0) o	lomestic water wells within one mile of the proposed salt water disposal	well.	
XII		tement is ATTACHED that available geologic and engineering data has be a faults or any other hydrologic connection between the disposal zone and any		
XIII		section on the next page of this form has been completed and ATTACHE within ½ mile and BLM minerals - all have been noticed. Well location is		
XIV	Certification I hereb	by certify that the information submitted with this application is true and correc	t to the	best of my knowledge an
t	NAME Ben S	Stone TITLE SOS Consulting, LLC agent for Owl SWD Operating	g, LLC	;
	SIGNATURE	Jan Xan	TE _	5/31/2017
	E-MAIL ADDRESS	: ben@sosconsulting.us		
*	If the information req	juired under Sections VI, VIII, X, and XI above has been previously submitted	, it nee	d not be resubmitted

Please show the date and circumstances of the earlier submittal

- 1 L

FORM C-108 - APPLICATION FOR AUTHORIZATION TO INJECT (cont.)

||| WELL DATA - The following information and data is included (See ATTACHED Wellbore Schematic):

- 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 pursuant to the following criteria is ATTACHED.

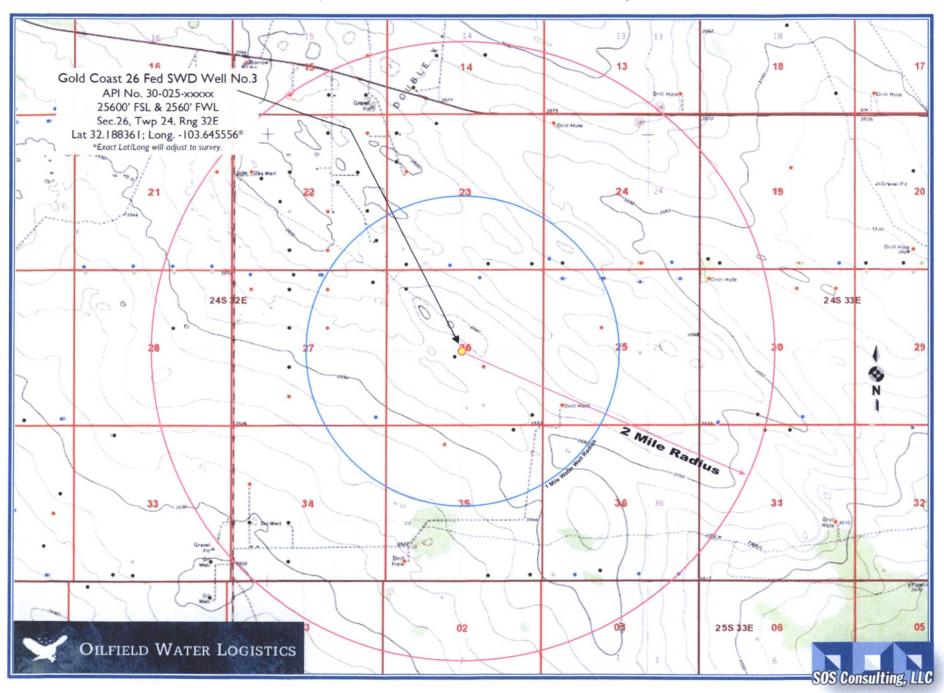
All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location

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

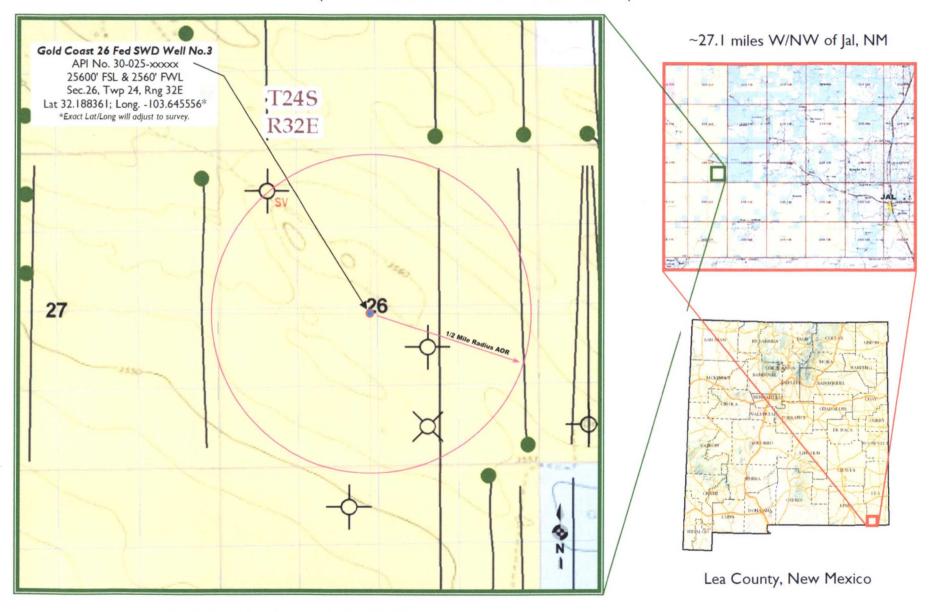
Gold Coast 26 Federal No.3 SWD - Area of Review / 2 Miles

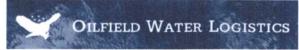
(Attachment to NMOCD Form C-108 - Item V)



Gold Coast 26 Federal SWD Well No.3 - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)





C-108 - Item VI

Area of Review Well Data

THERE ARE NO WELLS WHICH PENETRATE THE PROPOSED DEVONIAN FORMATION IN THE ONE-HALF MILE AREA of REVIEW

revised 6-26-2017

PROPOSED WELLBORE

WELL NAME POOL LOCATION

COUNTY/STATE

Gold Coast 26 Fed SWD No SWD, DEVONIAN-SILURIAN (97869) 2650' FSL & 2650' FWL Sect 26, T-24S, R-32E Lea County, New Mexico

SPUD	API#	
RIG RELEASE	 AFE#	
COMP DATE		
ORILLING RIG		

к в	3600 28 abov		- <u>-</u>	3572	SURFACE DEPTH CEMENT	CASING 750' SIZE 20" WT 94 GRADE J/K-55 BIT SIZE 26" Lead 1025 sx ExtendaCem + 2% CaCl + 0 25 pps Celloflake (13 5 ppg 1 76 yld) Tail 375 sx Cl C + 2% CaCl + 0 25 pps Celloflake (14 8 ppg 1 34 yld) Cement circulated to surface
					1st INTERN DEPTH CEMENT DV TOOL	MEDIATE CASING STC 4900' SIZE 13-3/8" WT 68 GRADE HCP-110 BIT SIZE 17-1/2" Two Stage Stg 1-Lead 2170 sx HLC + 5% Salt (12 7 ppg 1 94 yld) Tail 300 sx Class C cmt + 2% CaCl (14 8 ppg 1 34 yld) Stg 2 - Lead 1820 sx HLC + 5% Salt (12 7 ppg 1 94 yld) Tail 200 sx Cl C cmt + 2% CaCl (14 8 ppg 1 34 yld) Circulate cmt to surface 2,500'
TOL 12,000'		3			2nd INTER DEPTH ZEMENT DV TOOL	Size 9-5/8" WT 53 5 GRADE HCP-110 BIT Size 12-1/4"
	48	?; . X			LINER DEPTH CEMENT	12,000' - 17,050' SIZE 70" WT 35 GRADE P-110 BIT SIZE 8 1/2
<u>OPEN H</u>	OLE		6 12	<u>5" OH</u>	TUBING DEPTH	LTC 16950' SIZE 4-1/2" IPC WT 15 1 GRADE P-110 PKR 16955'
Drav	vn by Be	n Ston	i ! !	TD - 19,	000'	

C-108 ITEM VII - PROPOSED OPERATION

Gold Coast 26 Federal SWD No.3

Commercial SWD Facility

Upon approval of all permits for SWD, operations would begin within 30 days. Completion of the well operations will take approximately 6-8 weeks. Facility construction including installation of the tank battery, berms, plumbing and other and associated equipment would be occurring during the same interval but at a different location from the well. In any event, it is not expected for the construction phase of the project to last more than 60 days, depending on availability of contractors and equipment. At the time of this submittal, and subject to approval of the BLM SWD right-of-way and the availability of the drilling contractor, the anticipated start date is November 15, 2017

Configure for Salt Water Disposal

Prior to commencing any work, an NOI sundry(ies) will be submitted to configure the well for SWD and will detail the completion workover including all work otherwise described above, any change to the procedure noted herein and to perform mechanical integrity pressure test per OCD test procedures (Notify NMOCD 24 hours prior) The casing/tubing annulus will be monitored for communication with injection fluid or loss of casing integrity

Operational Summary

The SWD facility will not be fenced so that trucks may access for load disposal 24/7

The well and injection equipment will be a closed system and equipped with pressure limiting devices and volume meters. The annulus, loaded with an inert, anti-corrosion packer fluid; will be monitored for pressure.

The tanks will be equipped with telemetry devices and visual alarms to alert the operator and customers of full tanks or an overflow situation.

Anticipated daily maximum volume is 25,000 bpd and an average of 15,000 bpd at a maximum surface injection pressure of 3410 psi (.2 psi/ft gradient – maximum pressure will be adjusted when top of interval is determined)

Potential releases will be contained and cleaned up immediately. The operator shall repair or otherwise correct the situation within 48 hours before resuming operations. OCD will be notified within 24 hours of any release greater than 5 bbls. If required, remediation will start as soon as practicable. Operator shall comply with 19 15 29 NMAC and 19 15 30 NMAC, as necessary and appropriate

C-108 ITEM VII – PRODUCED WATER ANAYLSES

Item VII.4 – Water Analysis of Source Zone Water

(Note: The following data was supplied by COG as part of the original C-108 on the proposed well.)

Delaware Bone Spring Wolfcamp

Item: VII.5 - Water Analysis of Disposal Zone Water

Devonian

Water Analyses follow this page.

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WATER SAMPL	ES REPRESENTATIVE OF V	VATER BEING INJEC	CTED INTO THE F	ROPOSED	SWD WELL							
Delaware		_	 				ļ					
2012103128	Gehrig	Fed #2	William D Polk	2/15/2012	1/10/2012	1 16	4 00	251245 24	6 47		25915 00	3525 76
2011128362	Sly Hawk State	1	William D Polk	9/28/2011	9/13/2011	1 17	4 06	256802 26	6 50		26180 00	4101 14
Bone Spring		- 	 	'- 			ļ <u></u>	L		<u> </u>		ļ
Lab Test #	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TD\$	рΗ	conductivity	Ca (mg/L)	Mg (mg/L
2012104723	Phantom 18 State	2H	William D Polk	2/29/2012	1/6/2012	1 09	2 23	136209 81	6 52		6156 63	1132 53
Wolfcamp	····	-	i	I								
Lab Test#	Lease	Location	Salesman	Date Out	Sample Date	Specific Gravity	Ionic Strength	TDS	рH	conductivity	Ca (mg/L)	Mg (mg/L
2012105892	Augustus 10	1H		3/15/2012	3/8/2012	1 06	1 46	89771 55	6 60		3963 30	639 83
2011128833	Trail Boss 4	4H	William D Polk	9/30/2011	9/21/2011	1 05	1 31	78745 89	710		3143 00	406 00

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83379 63	<u>5297</u> 0 16	133 12	38 78	50 ce	54	905 03	9 33		73 00	0 00	•	70 00	161300 00	360 00	C 00
H (CaCC3)	Na (mark.)	K (mg/L)	Zn (mg L)	Fe (mg.L.	Ba (mg/L)	Sr (mg/L)	Mn (ma/L)	Resistivity	řícíos (mg.£)	CO3 (ma L)	OH ma/Li	SO4 Ima Li	C (ma/L)	CO2 (ma/L)	H2S (mail
	43509 27		0 00	28 72	o ác	414 86	1 36	•	159 00	0 ເບົ		850 70	83000 00	140 00	0 00
								Securitaria se	Total and Nation						
							Mn (mg/Li	Resistivity	rICO3 (mg/L)	CO3 (mg L)	OH TIME LI	SO4 (mg/L)	Cl (mg/L)	CO2 (mg/L)	H2S (mg/
13352 51	28320 32 27950 00	350 70 433 00	0 00	17.85 5.00 I	1 7/	707 79 780 00	0.00	***	220 00 366 00	000		950 00 150 00	54600 00 45500 00	60 00 140 00	0 00

C-108 - Item VII.5

Water Analysis - Disposal Zone - Devonian

Injection Water Analysis Report
Mad Dog 15 81
SEC 15-T23S-R34E
(Dovonlan Formation Water)

North Permish Basin Region P.O. Box 740 Sundown TX 79372-0740 (800) 229-0121 Lab Teem Leader - Sheta Hernshdez (432) 425-7240

Water Analysis Report by Baker Petrolite

Сотралу:	DEVON ENERGY CORPORATION	Sales RDT:	33517
Region:	PERMIAN BASIN	Account Manager:	FRANK GARDNER (575) 390-5194
Area:	' JAL NM	Sample #:	481511
Lease/Platform:	MAD DOG '15' LEASE	Analysis (D#:	102920
Entity (or well #);	1	Analysis Cost	\$90.00
Formation:	DEVONIAN		

Sample Point:	WELLHEAD
- 6	

Summ	usry	Analysis of Sample 481511 @ 75 年										
Sampling Date:	09/24/10	Anions	auth .	Local	Cations	നളി	rices!					
Analysis Date:	(C)/(1)/(C)	Chiorida:	40711.0	1148.31	Sodium:	24282.3	1055.35					
Analyst:	LEAH OURAN	Bicarbonate:	168.0 -	8.	Magnestum:	298,0	24.51					
TRO (6005 0	Carbonate:	0.0	- ,0.	Calcium:	1833.0	91.47					
TOS (mg/l or g/m3);	69356	Suffate:	1404.0	29.23	Strontium:	55.0	1.26					
Deraity (o/cm3, tonn Anion/Cation Ratio:	edm3): 1.051	Phosphato:		٠	Barlum:	1,0	ČOŤ					
Manouncemon settio:	1	Borate:	•		tron:	4.5	0.16					
*		Silicoto:			Potensium:	421,0	10.77					
7				*	Atumbun; .							
Carbon Diexide:	20 FPM	Hydrogen Suffice:		153 PPM	Checutatura:							
Oxygen:	NIA	phi at time of sampling:		8.4	Copper:							
Comments:				0.7	Lesso.	•						
		pH of time of analysis:			Marganes 6:	0.200	0.01					
		pH used in Calculation	5	8.4	Kickel:							
		•		1	*							
gab " e e												

Cond	tions 🐬		Values C	alculated	at the Give	n Conditi	ona - Amo	unts of Sc	ale in (b/10	00 bbl	-	74
Temp	77033.		elcite Coco ₃		1547 0 anu		nydrito iaSO ₄		150 ₄	6a 84	CO ₂	
. F .,	pel /	Index:	1 Amount	tricex	Amount	Incox	Amount	index	Amount	index	Amount	psi-
60	0	1.60	51.07	-QAZ	0.00	-0.46	0.00	-0.15	0.00	1.22	0.63	0.01
100	0 1	1.70	54.07	-0.48	0.00	-0.43	0.00	-0.18	0.00	1.04	- 0.65	50.0
120°	0 \	1.62	58.60	-0.49	0.00	. 40.38	0.00	-0.16	0.00	0.83	0.65	0.05
140	'0	1.55	62,86	-0.51	0,00	-0.31	0.00	-0.15	0.00	0.78	0.33	0.03

Note It Whose essenting the severity of the scale problem, both the esturation index (\$1) and emount of scale must be considered.

Note 2 Predictation of each code is considered expension. Total scale will be less than the stand the amounts of the time scales.

Note in The reported COX pressure is econolythe extension COX Augusty. It is causely nearly the same as the COX partie pressure.

C-108 – Item VIII

Geologic Information

The Devonian, Silurian and upper Ordovician all consist of carbonates including light colored dolomite and chert intervals interspersed with some tight limestone intervals. Several thick sections of porous dolomite capable of taking water are present within the subject formations in the area. It is reasonable to assume that a Silurian section is present between the Devonian and Ordovician (Montoya) although the top depth of Silurian and Ordovician intervals is uncertain at this time. If the base of Devonian and top of Silurian and/or Ordovician rocks come in as expected the well will only be drilled deep enough for adequate logging rathole

At a proposed depth of 19,000' BGL (Below Ground Level) the well will TD approximately 2,000' below the estimated top of the Devonian. Mud logging through the interval will ensure the target interval remains in Devonian, Silurian and Ordovician. Once Devonian is determined, the casing shoe depth will be set at an approximate maximum upper depth of 17,050' BGL. TD and maximum applied depth will occur approximately at 19,000' BGL. Injection will occur through the resulting openhole interval.

The Devonian is overlain by the Woodford Shale and Ordovician (Montoya) rock is underlain by the Middle and Lower Ordovician; Simpson and Ellenburger

Fresh water in the area is generally available from the Santa Rosa formation. State Engineer's records show water wells in the area with a depth to groundwater of 380 feet.

There are NO water wells located within one mile of the proposed SWD

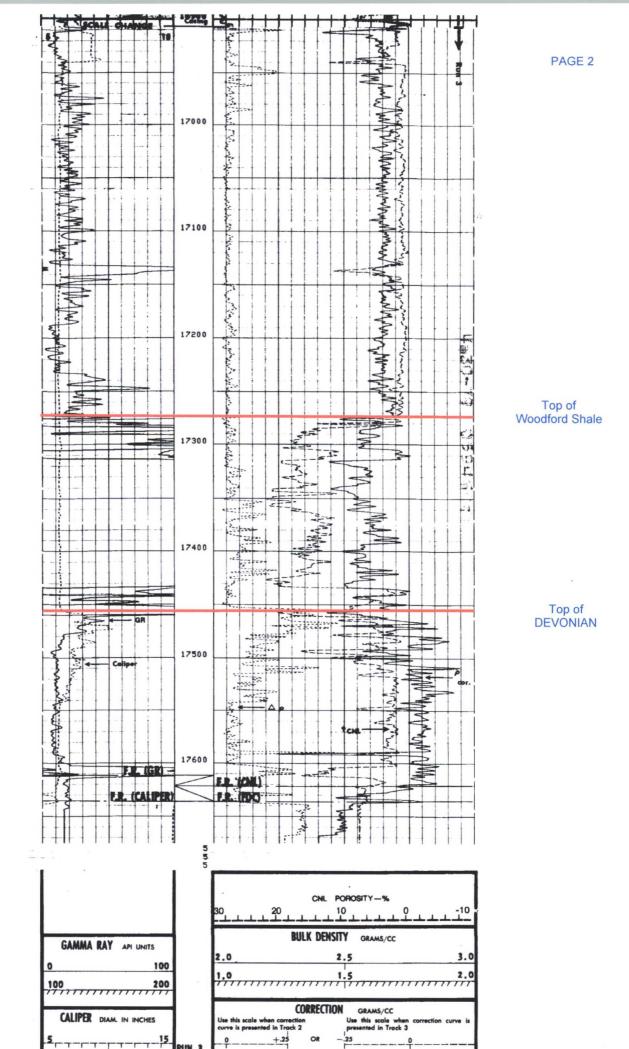
C-108 ITEM X - LOGS and AVAILABLE TEST DATA

A log strip from the State 29 'J' Well No.1, API No.30-025-26158, located in J-29-24S-33E is attached.

This well is approximately 3 1 miles east of the proposed SWD and shows the top of the Devonian and the Woodford Shale confining strata.

LOG STRIP FOLLOWS

COMPENSATED FORMATION COMPANY GETTY OIL COMPANY WELL STATE "29" J #1 FIELD MILDCAT		Depth		CS. TNO: GR CURVE HERGED ON C.	3 ⊕P q	23	546		5	Hous Sern. 1 C Dry For Market 100 2 L 10 L 10 L 10 L 10 L 10 L 10 L 1	ergates the occured or cervatness of any labor may loss, costs deserges or expense learned or tens are the subject to Chause 4 of our General	GRAMS/CC Use this scale when correction curve is presented in Track 3 25 125 126	Ceaus/cc 3.0	10SITY—% 0
Permanent Datum G.L. Elev 3520 Log Macasured From K.B. 23.5 Fr Above Perm Datur Drilling Measured From K.B. 23.5 Fr Above Perm Datur Drilling Measured From K.B. 23.5 Fr Above Perm Datur	Elev K.B 3543.5 DF 3542.5 G1 3520	VHRE Type Log	6	RUM	8018 1102 1397 87 868		SEE CAL		LOGGING DATA FISC	Serfing Scale Density Grain 2 2 1 2 2 2 1 2 2 2 2 2 2 2 2 2 2 2 2	other mocurements and we commer and do not go- negligence on cer poor to lichte or responsible for a of ext officers, agents or employees. These interpretati	CORRECTION Use this scale when correction curve is presented in Triple 2	BULK OBISIT	CNL FOF
Depth - Logger	mi mi pi B 'F @ 'F B 'F @ 'F 'F @ 'F -26 -27F	RUN NO ONE TWO Service Order No S9460 FIRE	NT DATA 104	Dem. Side 4.9 65 Dem. Sonde 2.2 2.5 Dem. Source 5.2.2 2.5 Dem. Culliveter 1.2.8 1.3.4 Near Prosi 1.0% 1.03		Depth Encoder (DRE) Presumer wheel (CPM) Granullaseu Fure Spring	BKG CPS SEE CAL	Short Spearing Before Log 2 16 Short Spearing Before Log 2 16 G Short Spearing After Log 2 16 Long Spearing After Log 2 14 Pr. Before Log 2 14 Pr. Before Log 2 2 14 Pr. Perior Log 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Ps Alter Log	Top Bottom Scrip Martit Hole Size 12615 15550 30 -10 LINE AUTO 15206 15550 30 -10 SAID AUTO 15206 17650 30 -10 LINE AUTO 16906 17650 30 -10 LINE AUTO	All wesponstions on opinions based so inferences from electrical or protections, and we shall not, except to the case of given or willful as protection, seadown by make one will also may interpretation that the case of forms and Confident as and out in one correct from Schotchin.	DIAM. IN INCHES	0 100 200	



C-108 ITEM XI - WATER WELLS IN AOR

The NM Office of the State Engineer database indicates there are no fresh water wells within one mile of the proposed SWD.



New Mexico Office of the State Engineer Active & Inactive Points of Diversion

(with Ownership Information)

No PODs found

PLSS Search

Section(s) 22 23 24 25 Township 24S Range 32E 26 27 34 35

36

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, is said by for any particular purpose of the data.

6/3/17 4 30 PM

Page 1 of 1

ACTIVE & INACTIVE & INACTIVE POINTS OF DIVERSION

C-108 ITEM XI - WATER WELLS IN AOR

Depth to Groundwater

The NM Office of the State Engineer database indicates there are no fresh water wells within one mile of the proposed SWD. Depth to ground water in the area is shown to be 380 feet.



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. (R=POD has been replaced.

& no longer serves a water right file)

O=orphaned, ·C=the file is

(quarters are 1=NW/2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters) closed)

(In feet)

4	POD. Sub-	Single Emily	۵	Q	_	7*	. (√ †	" "" *-	10	1 1 1	Denth	Death	Water
POD Number	Code basin			_		Sec	Tws	Rng	X	Υ.		_	Column
C 01932	С	-ED		3	1	12	24 S	32E	628633	3567188: 🌍	492		
C 02350		ED		4	3 1	10	245	32E	625826	3566333* 🌍	60		
03527 POD1	c	LE	1	2	3 (Ó3	24S	32E	625770	3568487	500		
03528 POD1	C	LE	1	1	2 -	15	245	32E	626040	3566129 🌍	541		
03530 POD1	С	LE	3	4	3 (07	24S.	32E	620886	3566156	550		1
C 03555 POD1	С	LE	2	2	1 (05"	24 S	32E	622709	3569231	600	380	220

Average Depth to Water

Minimum Depth Maximum Depth

Record Count: 6

PLSS Search

Township. 24S

Range: 32E

*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 sultability for any particular, purpose of the data

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

Ben Stone, Partner SOS Consulting, LLC

Project:

Owl SWD Operating, LLC

Gold Coast 26 Federal SWD No.3

Reviewed 5/31/2017

C-108 ITEM XIII – PROOF OF NOTIFICATION

IDENTIFICATION AND NOTIFICATION OF INTERESTED PARTIES

Exhibits for Section

Leasehold Plat

List of Interested Parties

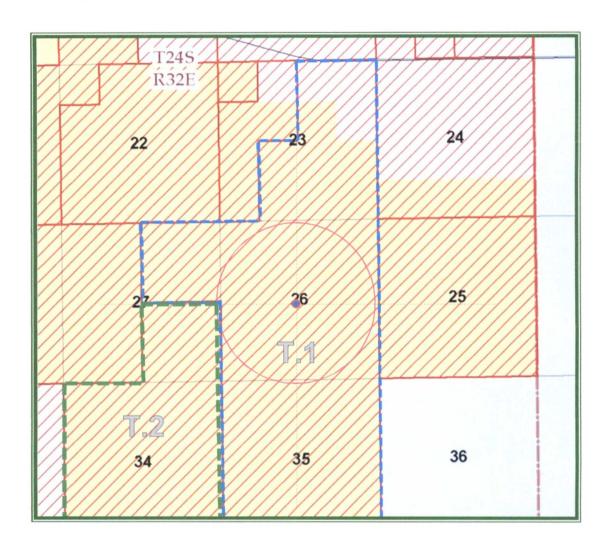
Notification Letter to Interested Parties

Proof of Certified Mailing

Published Legal Notice

Gold Coast 26 Fed SWD Well No.3 - Leasehold Plat

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)





- LEGEND -

T.1 - NMNM-120907 - COG Operating, LLC

T.2 – NMNM-0061936 – Chevron USA, Devon Energy



C-108 ITEM XIII – PROOF OF NOTIFICATION INTERESTED PARTIES LIST

SURFACE OWNER

U S. DEPARTMENT OF INTERIOR (Notified via USPS Certified Mail)
Bureau of Land Management
Oil & Gas Division
620 E Greene St.
Carlsbad, NM 88220

OFFSET MINERALS LESSES and OPERATORS (All Notified via USPS Certified Mail)

BLM Leases NMNM-120907 (T.1 on plat.)

Lessee & Operator

2 COĞ ÖPERATING, LLC
Attn: Brian Collins
2208 W Main Street
Artesia, New Mexico 88210-3720

BLM Lease NMNM-0061936 (T.2 on plat.)

Lessee

3 CHÉVRON USA, INC 6310 Deauville Midland, TX 79706

BLM LeaseS NMNM-113964; NMNM-119276

·Lessee "

4 DEVON ENERGY PRODUCTION CO., LP 333 W Sheridan Avenue OKC. OK 73102-5010

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy) 1220 S St Francis Dr Santa Fe, NM 87505

U.S DEPARTMENT OF INTERIOR (FedEx'ed copy)
Bureau of Land Management
Oil & Gas Division
620 E Greene St.
Carlsbad, NM 88220



May 30, 2017

NOTIFICATION TO INTERESTED PARTIES via U.S. Certified Mail

To Whom It May Concern

Owl SWD Operating, LLC, Dallas, TX, has made application to the New Mexico Oil Conservation Division to drill and complete for salt water disposal the Gold Coast 26 Federal Well No 3 The proposed commercial operation will be for produced water disposal from area operators. As indicated in the notice below, the well is located in Section 26, Township 24 South, Range 32 East in Lea County, New Mexico.

Disposal will be into the Devonian, Silurian and Ordovician formations through openhole from approximately 17,050 feet to 19,000 feet at a maximum surface pressure of 3410 psi

Following is the notice published in the Hobbs News-Sun, Hobbs, New Mexico on or about June 1, 2017

LEGAL NOTICE

Owl SWD Operating, LLC, 8214 Westchester Dr, Ste 850, Dallas, TX 75255 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the Gold Coast 26 Federal SWD No 3, is located 2560' FSL and 2560' FWL, Section 26, Township 24 South, Range 32 East, Lea County, New Mexico. Produced water from area production (Delaware, Bone Spring and Wolfcamp formations) will be commercially disposed into the Devonian, Silurian and Ordovician formations at a depth of 17,050' to 19,000' at a maximum surface pressure of 3410 psi and a rate limited only by such pressure. The proposed SWD well is located approximately 27 miles west/northwest of Jal.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email. info@sosconsulting us

You have been identified as a party who may be interested as an offset operator or lessee.

P.O. Box 300 Comp. Texas 7543 | 903-488-9850 Fav 866-400-7678 info@ss.com/line in

You are entitled to a full copy of the application. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or remail SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you and may also be sent via email if preferred

Thank you for your attention in this matter.

Best regards,

Ben Stone, SOS Consulting, LLC

Agent for Owl SWD Operating, LLC

Cc Application File

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)



Print your harns and address on the reverse			
or on the front if space permits.	Critical Canal Delivery Control Canal Delivery Control Canal Delivery Control Delivery	Complete items 1, 2; and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallplece, or on the front if space permits.	A. Signature X. Jenus Vocapus (D. Agent B. Received by (Printed Name) (B. Data of Deliver) Cenus S. Vas and 0-5-1 D. is delivery address different from flam 17 (1) Yes
DEVON ENERGY PRODUCTION COMPANY, LP 333.W Sheridan Ave OKC, OK 73102	is delivery eddress different from item 147— E Yes If YES, enter delivery address below; 11 177 No 2017	1. Article Addressed to: COG OPERATING, LLC Attn. Brian Collins 2208 W. Main Street Artesia, New Mexico 88210-3720	If YES, enter delivery address below:
9590 9403 0195 5120 3854 51	If Signature It Registered It Signature It Registered It Signature It Registered It Registered It Registered It Signature It Registered It Signature It Registered It Reg	9590 9403 0195 5120 3854 68	S. Service Type Adult Signature Restricted Delivery Certified Mail® Restricted Mail® Registered Mail® Certified Mail® Restricted Delivery Cellect on Delivery Cellect on Delivery Restricted Delivery Restricted Delivery Signature Confirmation Signature Confirmation Restricted Delivery Cellect Confirmation Restricted Delivery Restricted Delivery Cellect Confirmation Restricted Delivery Restricted Delivery Cellect Confirmation Restricted De
NDER: COMPLETE THIS SECTION CO.	MPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	Received by (Plinted Name) C. Date of Delivery	Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X
Marcie vodisesed for	s delivery address different from flem 17 , □ Yes I YES, enter delivery address below: □ No	CHEVRON USA, INC. 6310 Deauville Midland, TX 79706	D. is delivery address different from item 17 ,[] Yes If YES, enter delivery address below:] No
9590 9403 0195 5120 3854 44	Price Type It Signature Restricted Delivery It Signature Restricted Delivery Ited Matin Restricted Delivery Inct on Delvery Restricted Delivery Inct on Delvery Restricted Delivery India Restricted De	9590 9403 0195 5120 3854 37 2. Article Number (Transfer from service label) 7015 3010 0001 3789 957	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Meil® Certified Meil® Restricted Delivery Codect on Delivery Codect on Delivery Loss Loss Restricted Delivery Loss Restricted Delivery
	Domestic Return Receipt	PS Form 3811, April 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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C-108 - Item XIV

Proof of Notice – Legal Notice Newspaper of General Circulation

LEGAL NOTICE June 1, 2017

Owl SWD Operating, LLC, 8214. Westchester Dr., Ste 850, Dallas, TX:75255 is filing Form C-108 (Application for Authority to (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking, administrative approval for a salt water disposal well. The proposed well, the Gold Coast 26 Federal SWD No 3, is located 2560' FSL' and 2560' FWI Section 26 Township FWL, Section 26, Township 24 South, Range 32 East, Lea County, News Mexico Produced water from area production (Delaware, Bone Spring and Wolfcamp formations) will be commercially disposed into the Devonian Silurian and Ordovician formations at a depth of 17,050' to 19,000' at a maximum surface pressure of 3410 psi and a rate limited only by such pressure The proposed SWD well is located approximately 27 miles west/northwest of Jal

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St Francis Dr. Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting us #31809

The above is the "Proof Copy" sent from the Hobbs News-Sun.

The affidavit of publication will be forwarded as soon as it is received.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Rublisher 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 June 01, 2017 and ending with the issue dated June 01, 2017

Sworn and subscribed to before me this 1st day of June 2017

liation Coordinator

My commission expires February 28, 2020

(Seal)

BEN STONE SOS CONSULTING, LLC PO BOX 300 COMO, TX 75431

LEGAL NOTICE

Owl SWD Operating, LLC, 8214 Westchester Dr. Ste.850, Dallas, TX 75255 is TITIN FORM C-108 (Application for Authority to Inject) with the New Mexico. Oil Conservation Division Inject) with the New Mexico Oli Conservation Division seeking administrative approval for a salt water disposal well The proposed well, the Gold Coast 28 Federal SWD No 3, is located 2560 FSL and 2560 FWL, Section 26, Township 24. South, Range 32 East, Lea County, New Mexico Produced water from area production (Delaware, Bone Spring and Wolfcamp formations) will be commercially disposed into the Devonlan, Silurian and Ordovician formations at a depith of 17,050 to 19,000 at a maximum surface pressure of 3410 psi and a trate limited only by such pressure The proposed SWD well is located approximately 27 miles west/northwest of Jai

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67104420

00194276

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

6-6-2017									
C-108 Revie	w Checklist:	ReceivedAdd Req	uest	Reply Date	Suspended	[Ver 15]			
ORDER TYPE W	FX / PMX SWD N	umber Orde	er Date	Legacy Perm	nits/Orders				
Well No #3 Well Name(s) Gold COAS+ 26									
·									
API 30-0 25-Pending Spud Date TBD New or Old (UIC Class II Primacy 03/07/1982) Footages 265056 Lot or Unit L Sec 2 & Tsp 245 Rge 32 6 County Lea									
General Location 230miles NWIJAL Pool Suo, Sm- Deconien-Si Lynian Pool No 17.845 BLM 100K Map JAL Operator OWLS LD OPENHAM, DEL BEN GORID 30831 Contact Stone; Agent									
RIM 100K Man JAL	Operator A	LSLD open	Atras COR	T 306331 Con	Ben state	Acent			
COMPLIANCE RULE 5 9 Total We	ells /4 Inact	ve Sincl Assur	E-Comp	ol Order?	559 OK2 V Date	6-26-201			
		/ 1	P 00111p	10 01001 - 10 10	Just on The Paris	')			
WELL FILE REVIEWED Current Status Proposed After Conv After Conv Logs in Imaging NIA									
WELL DIAGRAMS NEW Propose	d () or RE-ENTER	Before Conv () After (Conv ()	Logs in Imaging	NIT				
Planned Rehab Work to Well									
Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)		Cement (x)or Cf	Cement Top and De	etermination M ethod			
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Planned_or ExistingInterm/Proc	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4900	250	P 4490	SUFFLEE	1015in			
Planned_or Existing _Interm/Proc	12/4/95/8	1200	520	2435	SUFFICE/	V18V			
Planned_or Existing _ Prod/kine	85/7 1/4	17050		300	12000/	CBL			
Planned_or Existing Line l									
Planned_or Existing OH / PERF	1 10/0 1 184	_	Int Length	Completion/Operation Details					
Injection Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Drilled TD /90	√0 PBTD				
Adjacent Unit Litho Struc Por	ACT TO SEE SEE	DU	17000	NEW TD	_ NEW PBTD				
Confining Unit Litho Struc Por		ψδ	1650	NEW Open Hole	or NEW Perfs ()			
Proposed Inj Interval TOP		,	1	Tubing Size 4	_ in Inter Coated? _ depthft				
Proposed Inj Interval BOTTOM				Proposed Packer D	epth 1645 ft)			
Confining Unit Litho Struc Por	1		<u> </u>	Min Packer Depth	(100-ft li	mıt) /			
Adjacent Unit Litho Struc Por				_	face Press 340				
AOR. Hydrologic					(0 2 ps	<u> </u>			
POTASH R-111-P WHT Noticed		. <i>I I</i> I	Salt/Sa	alado TB	_ <u>NW</u> Cliff House	fm			
FRESH WATER Aquifer Max Depth MH HYDRO AFFIRM STATEMENT By Qualified Person									
NMOSE Basin CALSTAN CAPITAN REEF thru adj (NA) No Wells within 1-Mile Radius? FW Analysis									
Disposal Fluid Formation Source(s) Analysis? On Lease () Operator Only () or Commercial ()									
Disposal Int Inject Rate (Avg/Max BWPD) All Protectable Waters? MA Source System Closed or Open									
HC Potential: Producing Interval? MFormerly Producing? Method Logs/DST/P&A/Other 6-Mile Radius Pool Map									
AOR Wells 1/2-M Radius Map? Well List? Total No Wells Penetrating Interval Horizontals?									
Penetrating Wells No Active Wells Dum Repairs? on which well(s)? Diagrams?									
Penetrating Wells No P&A Well									
NOTICE: Newspaper Date 54ncl, 20 Mineral Owner BLM Surface Owner BLM N Date 6-6-20,7									
RULE 26 7(A) Identified Tracts? 4 Affected Persons COU, Chevron N Date 6-2-2017									
RULE 26 7(A) Identified Tracts? Y Affected Persons COU, Chevron N Date 6-2-2017 Order Conditions: Issues Nun C-13-L Fnom base Linerto 110' Above +4-									