

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



September 14, 2017

Mr. Ben Stone, Agent for OWL SWD Operating, LLC
SOS Consulting, LLC
P. O. Box 300
Como, TX 75431

RE: Administrative Order SWD-1592; First Extension of Deadline to Commence Injection

Brininstool SWD Well No. 3C (API 30-025-42760)

Lot 4, Sec 19, T23S, R33E, NMPM, Lea County, New Mexico

Order Date: October 28, 2015

Injection into the Devonian formation; permitted interval: approximately 17000 feet to 18500 feet

Dear Mr. Stone:

Reference is made to your request on behalf of OWL SWD Operating, LLC (the "operator") to extend the deadline stipulated in order SWD-1592 based upon the approval date of October 28, 2015, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence.

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until October 28, 2018. All requirements of the above referenced administrative order and agreements in the application

SWD-1592: First Extension of Deadline to Commence Injection
OWL SWD Operating, LLC
September 14, 2017
Page 2 of 2

remain in full force and effect.

Sincerely,



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
SWD-1592
Well file 30-025-42760



September 8, 2017

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

VIA EMAIL

Attn: Mr. David Catanach, Director

Re: Request for Extension of Administrative Order SWD-1592 pertaining to Owl SWD Operating, LLC's Brininstool SWD No.3; to include Spud Date and Injection Commencement Date; located in Section 19, T23S-R33E, NMPM, Lea County, New Mexico.

Dear Mr. Catanach,

Owl SWD Operating, LLC had suspended some of its projects to accommodate the changes in the climate of the industry over the last couple years. Management has determined that it would now like to move forward with the subject project as permitted. The original permit is set to expire on October 28, 2017. Also, the APD C-101 that had been approved for this well just expired last week on August 28, 2017. A new C-101 is being filed today with the Hobbs district office.

I have reviewed the subject Area of Review and determined that no significant changes have taken place. Leases and offset interested operators are the same; no new wells drilled. The SWD well will be configured exactly as originally permitted.

Owl is currently close to completing drilling another of its Devonian SWDs and anticipates having that rig moved over to begin drilling this well by mid-to-late October. We therefore request an appropriate extension for the subject permit is applied to order SWD-1592.

If you or your staff has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read 'Ben Stone', is written over a white background.

Ben Stone, SOS Consulting, LLC
Agent for Owl SWD Operating, LLC

Cc: Project file

Goetze, Phillip, EMNRD

From: ben@sosconsulting.us
Sent: Friday, September 8, 2017 12:25 PM
To: Catanach, David, EMNRD; Goetze, Phillip, EMNRD
Subject: Extension Request: Owl SWD, LLC's Brininstool SWD No.3; SWD-1592...
Attachments: ExtRqstLtr_Owl_BrinSWD3_20170908.pdf; SWD-1592_Brininstool-3.pdf

Gentlemen:

Extension request attached. Please note that the applicable C-101 APD for the subject well expired last week and I'll be filing a new C-101 with the Hobbs district office today.

I've also attached a copy of SWD-1592 for your reference.

Please let me know if you have any questions after reviewing the request letter.

Thank you,
Ben



Visit us on the web at www.sosconsulting.us!

This electronic message and all attachments are confidential, and are intended only for the use of the individual to whom it is addressed; information may also be legally privileged. This transmission is sent in trust for the sole purpose of delivery to the intended recipient. If you have received this transmission in error, you are hereby notified that any use, dissemination, distribution or reproduction of this transmission is strictly prohibited and may be unlawful. If you are not the intended recipient, you must delete this message and any copy of it (in any form) without disclosing it. If this message has been sent to you in error, please notify the sender by replying to this transmission, or by calling SOS Consulting, LLC, 903-488-9850. Unless expressly stated in this e-mail, nothing in this message should be construed as a digital or electronic signature. Thank you for your cooperation.

Goetze, Phillip, EMNRD

From: ben@sosconsulting.us
Sent: Friday, September 15, 2017 6:58 AM
To: Goetze, Phillip, EMNRD
Subject: RE: Extension Request: Owl SWD, LLC's Brininstool SWD No.3; SWD-1592...

Thanks Phillip. One year is fine.

Ben



[Visit us on the web at www.sosconsulting.us!](http://www.sosconsulting.us)

This electronic message and all attachments are confidential, and are intended only for the use of the individual to whom it is addressed; information may also be legally privileged. This transmission is sent in trust for the sole purpose of delivery to the intended recipient. If you have received this transmission in error, you are hereby notified that any use, dissemination, distribution or reproduction of this transmission is strictly prohibited and may be unlawful. If you are not the intended recipient, you must delete this message and any copy of it (in any form) without disclosing it. If this message has been sent to you in error, please notify the sender by replying to this transmission, or by calling SOS Consulting, LLC. 903-488-9850. Unless expressly stated in this e-mail, nothing in this message should be construed as a digital or electronic signature. Thank you for your cooperation.

----- Original Message -----

Subject: RE: Extension Request: Owl SWD, LLC's Brininstool SWD No.3; SWD-1592...
From: "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>
Date: 9/14/17 1:26 pm
To: "ben@sosconsulting.us" <ben@sosconsulting.us>

Ben:

I'd like to accommodate your request for an "appropriate extension", but you will still need to identified a period of time on behalf of your client. It may be helpful to know that the Division will not approve an extension greater than one year. Please provide a response so that the request can be completed. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

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

Direct: 505.476.3466

E-mail: phillip.goetze@state.nm.us