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2013 OCT 18 P 1:35

October 15, 2013

Case 15060

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

Dear Florene:

Enclosed for filing, on behalf of Owl Oil and Gas LLC, is an application for a salt water disposal well, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the November 14, 2013 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Owl Oil and Gas LLC

Persons Notified of Hearing

Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220

Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240

Mewbourne Oil Company
Suite 1050
500 West Texas
Midland, Texas 79701

Endurance Resources LLC
Suite 600
15455 Dallas Parkway
Addison, Texas 75001

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OWL OIL AND GAS LLC
FOR APPROVAL OF A SALT WATER DISPOSAL
WELL, EDDY COUNTY, NEW MEXICO.

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Case No. 15060

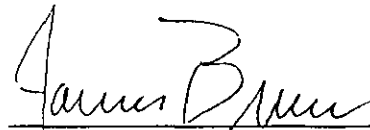
APPLICATION

Owl Oil and Gas LLC applies for an order approving a salt water disposal well, and in support thereof, states:

1. Applicant proposes to re-enter the Myrtle Myra Well No. 3 (to be re-named the Myrtle Myra SWD Well No. 3), located 1978 feet from the south line and 1980 feet from the west line of Section 9, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.
2. Applicant proposes to dispose of produced water into Yates-Seven Rivers formation at depths of approximately 670-785 feet subsurface.
3. A Form C-108 for the subject well is attached hereto as Exhibit A.
4. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Owl Oil and Gas LLC

APPLICATION FOR AUTHORIZATION TO INJECT

Case 15060

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? ☒ Yes ☐ No
- II. OPERATOR: Owl Oil and Gas LLC
ADDRESS: 467 Santa Rd., PO Box 116, Hope, NM 88250
CONTACT PARTY: Bonnie Wilson PHONE: 361-549-6426
- 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:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. 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: Bonnie Wilson TITLE: President
SIGNATURE: Bonnie Wilson DATE: 8/30/2013
E-MAIL ADDRESS: sailfever1@yahoo.com
- * 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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

EXHIBIT

A

III. WELL DATA

- 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

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.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2 Lining Material: Plastic
 Type of Packer: 3 1/2 by 8 5/8 Arrowset tension Packer
 Packer Setting Depth: ~ 650
 Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes ☒ No
 If no, for what purpose was the well originally drilled? oil well
2. Name of the Injection Formation: SWD Yates 7 Rivers
3. Name of Field or Pool (if applicable): N/A
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. yes CIBP@ 4900
Perforations @ 4972-4980; Plugs @ 2673, 932, 497, and 60
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

<u>Underlying - Delaware</u>	<u>2602</u>
<u>Overlying - Yates</u>	<u>555</u>

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Owl Oil and Gas LLC

WELL NAME & NUMBER: Myrtle Myra SWD #003

WELL LOCATION: 1978 FSL and 1980 FWL, K 9 21S 27E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2 Casing Size: 13 3/8

Cemented with: 650 sx. or ft³

Top of Cement: 0 Method Determined: visual

Intermediate Casing

Hole Size: 12 1/4 Casing Size: 8 5/8

Cemented with: 700 sx. or ft³

Top of Cement: 0 Method Determined: visual

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2

Cemented with: 500 sx. or ft³

Top of Cement: 2850 Method Determined: Temp Surve

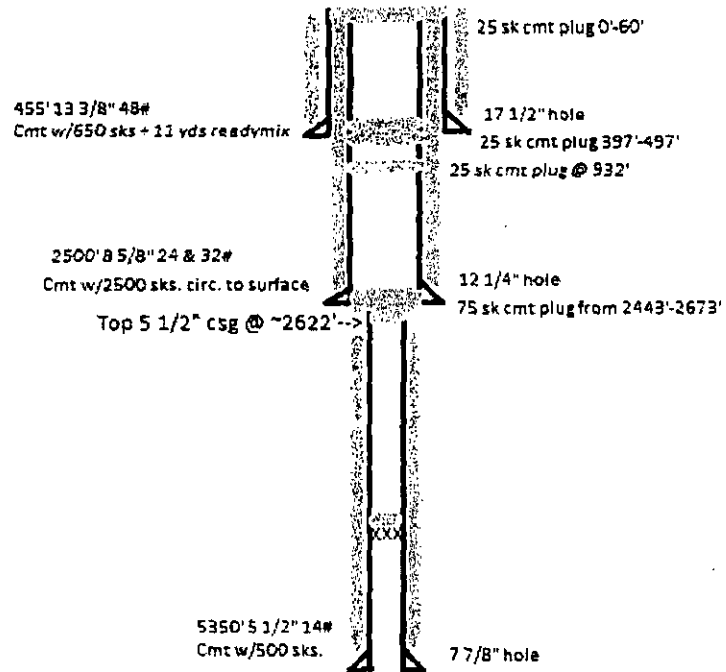
Total Depth: 5350

Injection Interval

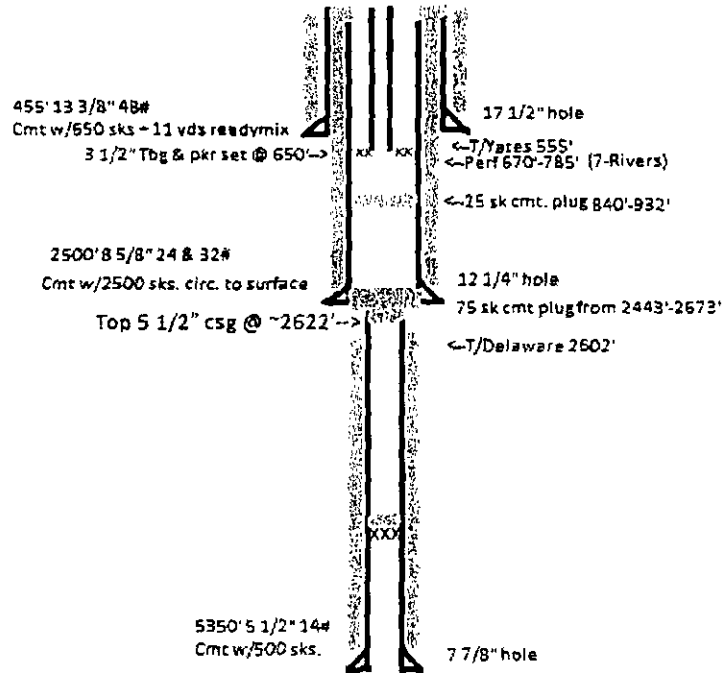
Perforated ~670 feet to ~785 TBD after Correlation

(Perforated or Open Hole; indicate which)

Ray Westall Operating Myrtle Myra #009
 1980' FSL& 1980' FWL sec. 9, T-21S, R-27E
 Eddy county, NM



Owl Oil & Gas, LLC
 Myrtle Myra #3 SWD
 1980' FSL & 1980' FWL sec. 9, T-21S, R-27E
 Eddy county, NM



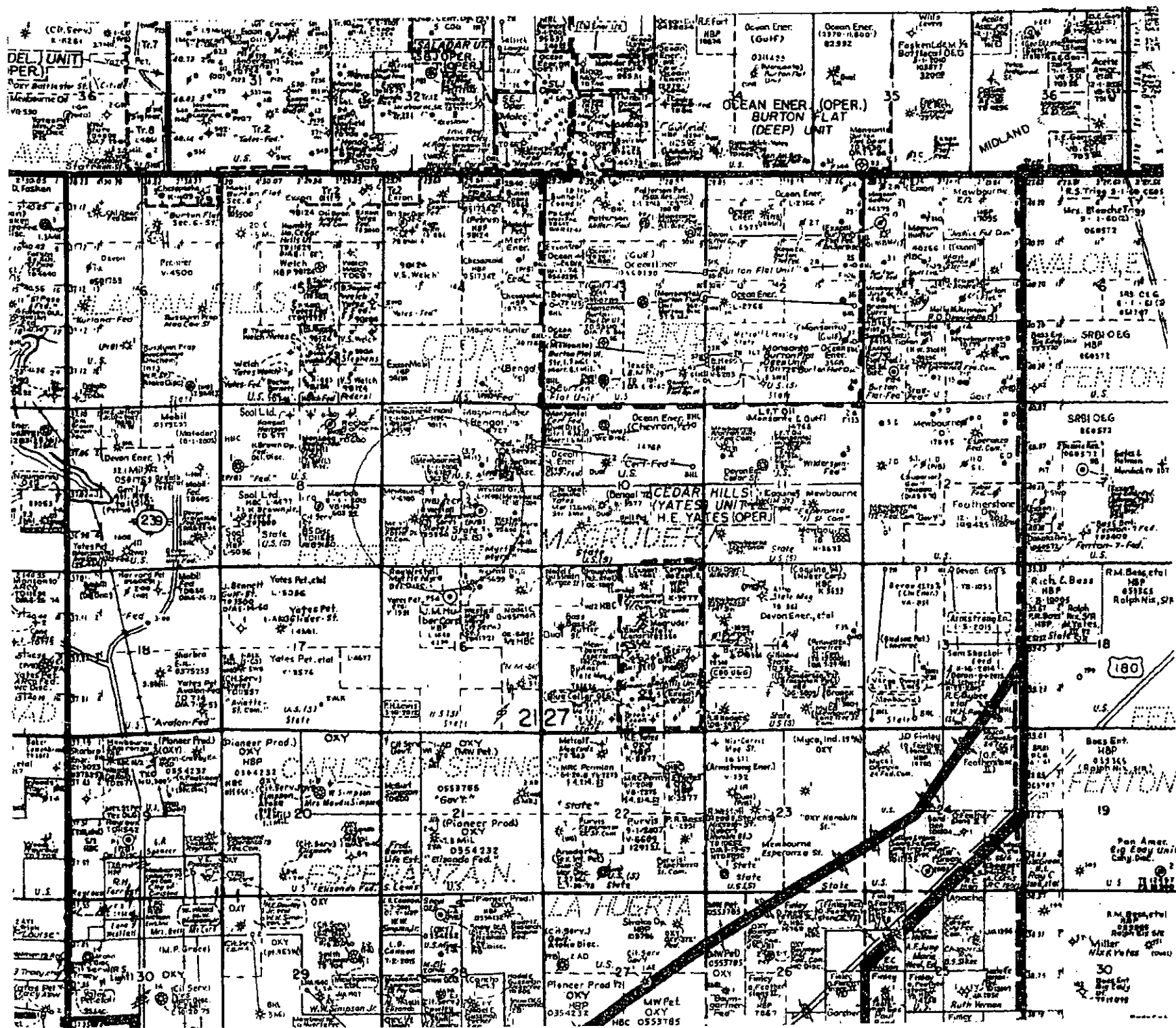
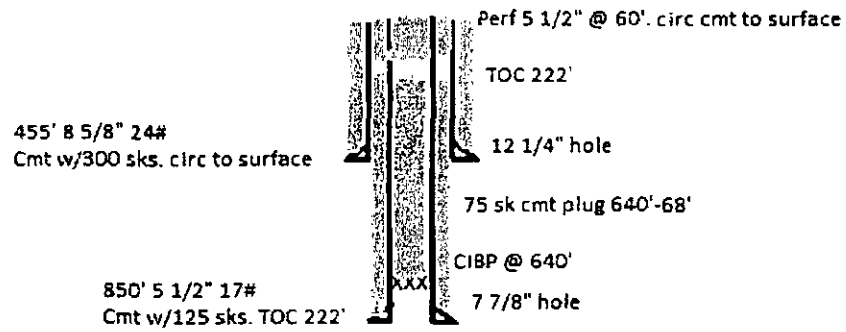


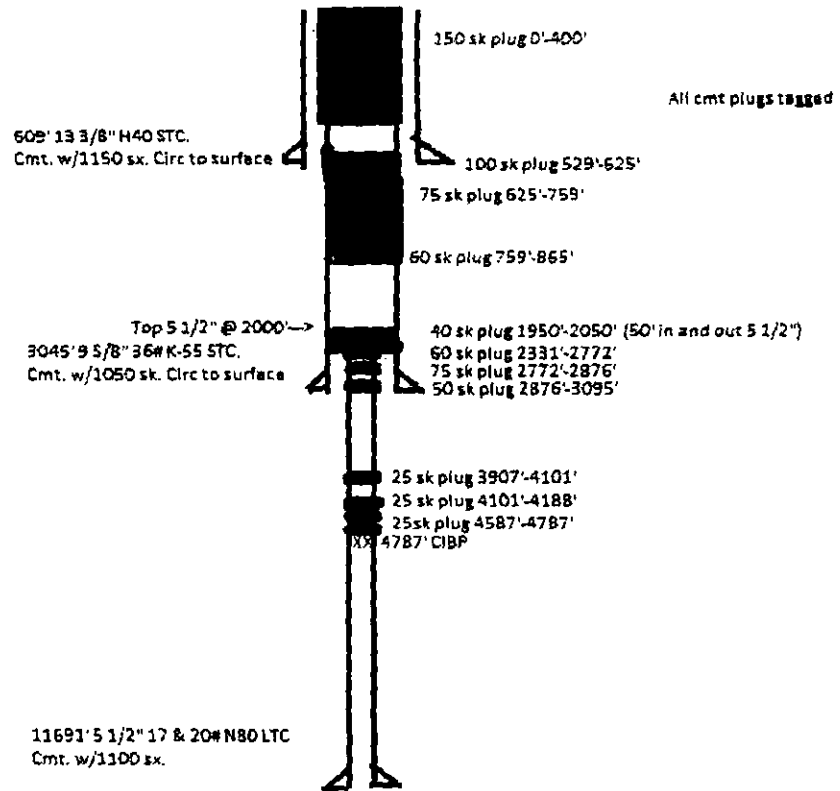
Table of Wells in Area of Review

Well Name	Type	Date Drilled	Location	Depth	Record of Completion	
Myrtle Myra #002	OIL	05/29/74	J-9-21S-27E (1830 FSL & 1980 FEL)	5000	02/10/90	PRODUCING
Federal 9Com #001	GAS	12/22/74	G-9-21S-27E (1980 FNL & 1980 FEL)	11681	03/20/75	PLUGGED
Myrtle Myra #005	OIL	04/24/92	K- 9-21S-27E (1980 FSL& 1980 FWL)	5125	05/21/92	PLUGGED
Myrtle Myra #006	OIL	11/26/92	P 9-21S-27E (990 FSL & 660 FEL)	5199	12/20/92	PRODUCING
Myrtle Myra #007	OIL	10/05/09	I 9-21S-27E (1753 FSL &853 FEL)	5150	12/30/92	PRODUCING
Myrtle Myra #010	DA	11/10/94	P 9-21S-27E (760 FSL & 660 FEL)	850	11/15/94	PLUGGED
Foster Draw 9 State Com #001	GAS	08/06/03	L 9-21S27E (1580 FSL & 1090 FWL)	11800	10/05/03	PRODUCING

Ray Westall Myrtle Myra #10
760' FSL & 660' FEL Sec. 9, T-21S, R-27 E
Eddy county, NM



Cimarex Energy Federal 9 Com #001
 1980' FNL & 1980' FEL Sec. 9, T-215, R-27E
 Eddy county, NM



VII.

1. Average daily rate to be 4200 BBL with a maximum of 8500 BBL
2. The SWD will be a closed system
3. Average injection pressure to be 150 psi with a maximum of 400 psi
4. The various sources of produced water to be injected will be 100% compatible with the receiving formation.
5. There is no water analysis for the zone formation to be used for disposal.

VIII

1. The injection zone is lime dolomite in the SWD Yates-7 Rivers formation at thickness of 115 feet and a depth of approximately 670 to 785 feet. There is no drinking water in the vicinity of the injection well.

X.

1. Will re-log cased hole after gamma ray- sonic testing.

IX.

1. The well will be acidized with 5000 gallons of 10% HCL with inhibitors.

XI.

1. There are none in the area

XII.

1. Examination of the available geologic and engineering data shows no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

August 29 2013

That the cost of publication is **\$42.75** and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this

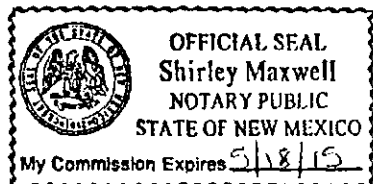
29th day of August, 2013

Shirley Maxwell

My commission Expires

May 18, 2015

Notary Public



August 29, 2013
Notice of Application to
Inject
Owl Oil and Gas, LLC will
file application to inject
C-108 for the purpose of
establishing a SWD in
Unit K, Sec 9, T21S, R27E,
1978 FSL & 1980 FWL. For
questions on this filing,
contact Bonnie Wilson,
2014 Class Trail Lane,
Spring, TX 77386, or by
telephone 361-549-6426.
Fluids will be injected into
the SWD 7 River formation
at a depth of 670 to
780 feet (overall) at an
expected maximum rate
of 8500 BBL/day and a
maximum pressure of
400 psi. Interested parties
must file objections
or request hearing with
the Oil Conservation Division,
1220 South Street,
Francis Dr., Santa Fe, New
Mexico 87505 within 15
days of this notice.

PROPOSED ADVERTISEMENT

Case No. 15060:

Application of Owl Oil and Gas LLC for approval of a water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Yates-Seven Rivers formation at depths of 670-785 feet subsurface in the Myrtle Myra SWD Well No. 3, to be re-entered at a location 1978 feet from the south line and 1980 feet from the west line of Section 9, Township 21 South, Range 27 East, NMPM. The well is located approximately 5-1/2 miles north-northeast of Carlsbad, New Mexico.

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