

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.  
NMNM112273

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

## 1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: INJECTION8. Well Name and No.  
COLLINSOSCOPY FEDERAL 12. Name of Operator  
OWL SWD OPERATING, LLCContact: JAY FRYAR  
E-Mail: jfryar@oilfieldwaterlogistics.com9. API Well No.  
30-015-337583a. Address  
8214 WESTCHESTER DRIVE SUITE 850  
DALLAS, TX 752553b. Phone No. (include area code)  
Ph: 432-269-373510. Field and Pool or Exploratory Area  
BURTON FLAT; DELAWARE

## 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 7 T20S R30E Mer NMP SWSW 1095FSL 430FWL

11. County or Parish, State  
EDDY COUNTY, NM**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

CONVERT TO SWD PER NMOCD ORDER SWD-1648; Prior to Moving In:

1. Locate & check location/anchors. (Note: May not need tested anchors if well service company will use base beam & eliminate guy lines. Check with company before setting/testing anchors.)  
Notify BLM & NMOCD prior to beginning work.

BLM (575) 887-6544 Carlsbad  
Paul Swartz (575) 200-7902 Cell  
NMOCD Dist 2 (575) 748-1287 Artesia  
Richard Inge (575) 626-0831 Cell

**SUBJECT TO LIKE  
APPROVAL BY STATE****APPROVED**  
Accepted for record  
NMOCD  
3/15/18**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

2. MIRU workover unit, reverse pits, power swivel & associated equipment. NU & test 7-1/16? 5M manual BOP. (Note: BLM requires certification with BOP detailing test to full rating ? i.e. 5,000

**WITNESS**BUREAU OF LAND MANAGEMENT  
ARTESIA DISTRICT

MAR 12 2018

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #405165 verified by the BLM Well Information System  
For OWL SWD OPERATING, LLC, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 02/28/2018 ( )

Name (Printed/Typed) BEN STONE

Title AGENT / CONSULTANT

Signature (Electronic Submission)

Date 02/21/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**Approved By PR Swartz 03/02/2018Title TPET

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

**BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE**

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**Additional data for EC transaction #405165 that would not fit on the form**

**32. Additional remarks, continued**

psi.)

3. PU & GIH w/catcher for Peak RBP on work string. Catch & release RBP @ 3,450?. POOH.

4. TIH w/SQUEEZE packer. Set packer @ 3,550?. Test PBTD to 2,000 psi.

5. Reset packer @ 3,425?. Test seat. Establish injection rate into perfs 3,500? ? 3,508?.

6. RU cementers. Squeeze perfs to 1,000 psi as directed.

7. WOC 24 hrs. Test squeeze. If OK, POH. If leaking, re-squeeze.

8. GIH w/4-3/4? BIT/MILL, 6 x 3-1/2? drill collars on work string. Drill cmt & plugs as follows:

a.) 3,500? ? 3,508?. Test squeeze to 1,000 psi for 15 mins after drill out.

b.) Cmt & CIBP 3,700?

c.) Clean out to PBTD @ 6,120?.

9. POOH. GIH open ended to PBTD. *Follow BLM Condition of Approval procedure*

10. ~~Set cement plugs 6,120??5,885? (235??25 sx CI C cmt). WOC 4 hrs. TAG.~~

11. Set cement plug 5,410??5,175?. (235??25 sx CI C cmt). WOC 4 hrs. TAG. (Note: TIH early & ensure TOC is below 5,150?. If not, wash cement to 5,175?.)

12. Circulate hole with clean produced water. POOH.

13. TIH w/packer to 6,825?. Set packer & test btm to 2,000 psi.

14. RU wireline. Perforate Delaware w/casing guns per attached perf schedule. Have lubricator available in case well begins flowing during perforating.

15. GIH w/wireline entry sub, 2.31? X profile nipple, 3-1/2? X 10? tbq sub, 5-1/2? x 3-1/2? PermaPak packer (install pump-out plug BHA0. Set pkr @ 3,725?. RD WLU.

16. TIH w/anchor-seal assembly on 3-1/2? 9.3# J-55 PH-6 (internally coated) tbq. Sting into packer & space out. Test seat. Pull out of packer. Circulate csg w/packer fluid (fresh wtr + corrosion inhib + biocide). Sting into packer. ND BOP. NU Larkin-type wellhead. Screw on gate valve. \*

17. Pump off plug & establish injection rate. Perform MIT. RDPU & equipment.

18. RU acid. Pump 40,000 gals 15% NEFE HCL acid down tbq separated by gel spacers. Overdisplace 500 bbls. Pump away all excess clean fluid left in frac tanks. RD acid.

19. Clean up location. Turn well over to OPS for injection hook-up.

*\* Note Step 13) of COA "Well with a Packer - Operation"*

## **OWL COLLINSOSCOPY FEDERAL #1 SWD**

### **Burton Flat (Delaware) Field**

API# 30-015-33758  
1095' FSL & 430' FWL  
Sec 7, T-20S, R-30E  
Eddy County, NM

### **Directions to Location:**

From intersection of Hwy 62/180 & 285 in Carlsbad NM. Go 14.9 miles east on 62/180 to Burton Flats road (ECR 238). Turn left (north) go 1.2 miles to ECR 239 turn right go 1.2 miles. Turn left go .7 miles on lease road. Turn right go 1.2 miles to cattle guard. Turn right (Northeast) go .2 miles to location

### **SWD CONVERSION Procedure:**

1. Locate & check location/anchors. (Note: May not need tested anchors if well service company will use base beam & eliminate guy lines. Check with company before setting/testing anchors.) Notify BLM & NMOCD prior to beginning work.

BLM	(575) 887-6544 Carlsbad
Paul Swartz	(575) 200-7902 Cell
NMOCD Dist 2	(575) 748-1287 Artesia
Richard Inge	(575) 626-0831 Cell

2. MIRU workover unit, reverse pits, power swivel & associated equipment. NU & test 7-1/16" 5M manual BOP. (Note: BLM requires certification with BOP detailing test to full rating – i.e. 5,000 psi.)
3. PU & GIH w/catcher for Peak RBP on work string. Catch & release RBP @ 3,450'. POH.
4. TIH w/SQUEEZE packer. Set packer @ 3,550'. Test PBTD to 2,000 psi.
5. Reset packer @ 3,425'. Test seat. Establish injection rate into perfs 3,500' – 3,508'.
6. RU cementers. Squeeze perfs to 1,000 psi as directed.
7. WOC 24 hrs. Test squeeze. If OK, POH. If leaking, re-squeeze.
8. GIH w/4-3/4" BIT/MILL, 6 x 3-1/2" drill collars on work string. Drill cmt & plugs as follows:
  - a.) 3,500' – 3,508'. Test squeeze to 1,000 psi for 15 mins after drill out.
  - b.) Cmt & CIBP 3,700'
  - c.) Clean out to PBTD @ 6,120'.

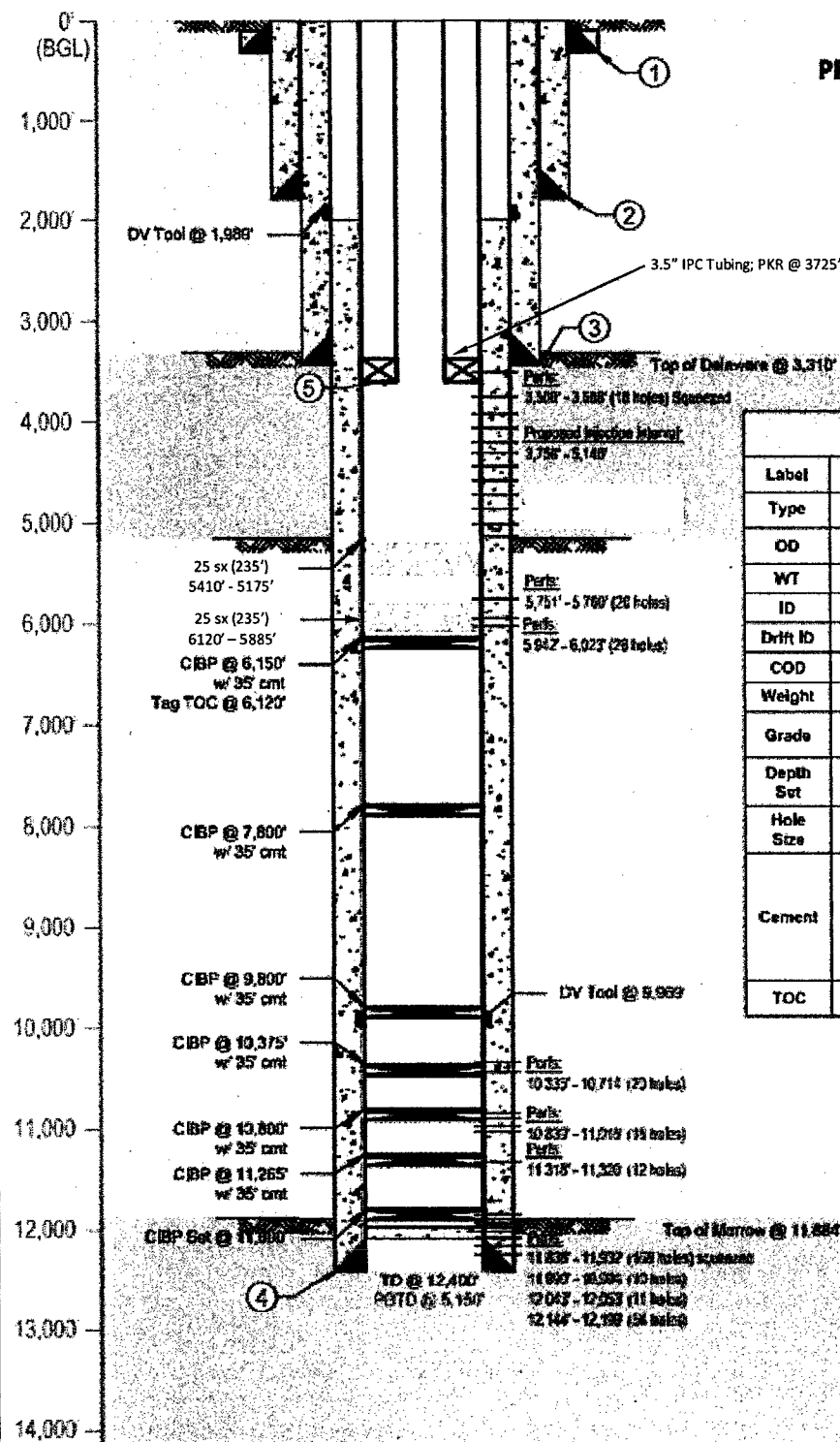
9. POH. GIH open-ended to PBTD.

*Follow Condition of Approval  
procedure from COA Step 16.*

10. ~~Set cement plugs 6,120' – 5,885' (235' – 25 sx CI C cmt).~~
11. Set cement plug 5,410' – 5,175'. (235' – 25 sx CI C cmt). WOC 4 hrs. TAG. (Note: TIH early & ensure TOC is below 5,150'. If not, wash cement to 5,175'.)
12. Circulate hole with clean produced water. POH.
13. TIH w/packer to 6,825'. Set packer & test btm to 2,000 psi.
14. RU wireline. Perforate Delaware w/casing guns per attached perf schedule. Have lubricator available in case well begins flowing during perforating.
15. GIH w/wireline entry sub, 2.31" X profile nipple, 3-1/2" X 10" tbg sub, 5-1/2" x 3-1/2" PermaPak packer (install pump-out plug BHA0. Set pkr @ 3,725'. RD WLU.
16. TIH w/anchor-seal assembly on 3-1/2" 9.3# J-55 PH-6 (internally coated) tbg. Sting into packer & space out. Test seat. Pull out of packer. Circulate csg w/packer fluid (fresh wtr + corrosion inhib + biocide). Sting into packer. ND BOP. NU Larkin-type wellhead. Screw on gate valve. \*
17. Pump off plug & establish injection rate. Perform MIT. RDPU & equipment.
18. RU acid. Pump 40,000 gals 15% NEFE HCL acid down tbg separated by gel spacers. Overdisplace 500 bbls. Pump away all excess clean fluid left in frac tanks. RD acid.
19. Clean up location. Turn well over to OPS for injection hook-up.

\* Note Step 13) of COA "Well with a Packer-Operation"

# PROPOSED SWD CONFIGURATION



Casing Information				
Label	1	2	3	4
Type	Conductor	Surface	Intermediate	Production
OD	20"	13.375"	8.625"	5.500"
WT	0.438"	0.38"	0.352"	0.304"
ID	19.124"	12.615"	7.921"	4.892"
Drift ID	18.936"	12.459"	7.796"	4.787"
COD	21"	14.375"	9.825"	6.050"
Weight	94 lb/ft	54.5 lb/ft	32 lb/ft	17 lb/ft
Grade	H-40, BT&C	J-55, ST&C	J-55, BT&C	M95-110, LT&C
Depth Set	315'	1,783'	3,425'	12,430'
Hole Size	26"	17.500"	12.250"	7.875"
Cement	100 sx + 350 sx HLC + 300 sx "C" + 17 sx	1,050 sx HLC + 300 sx "C" (circ 152 sx)	1st 420 sx HLC + 250 sx "C" (circ 60 sx) 2nd 600 sx HLC + 100 sx "C" (circ 110 sx)	2,100 sx
TOC	97'	Surface	Surface	2,000'

Tubing Information	
Label	5
Type	Production
OD	3.500"
WT	0.216"
ID	3.069"
Drift ID	2.943"
COD	4.500"
Weight	7.7 lb/ft
Grade	L-80, BT&C
Depth Set	3,725'

**LONQUIST**

FIELD SERVICE

AUSTIN / WICHITA  
HOUSTON / CALGARY

Texas License F-8952

3345 Box Cove Road, Suite 201  
Austin, Texas 78745  
Tel: 512.732.8612  
Fax: 512.732.8616

OWL SWD Operating, Inc.

Country: USA

Location:

Survey/STR:

Well API No: 30-015-33758

Drawn:

Rev No:

Collinsoscopy Federal #1 - Proposed

State/Province: New Mexico

Site:

Field:

Project No:

Reviewed:

Notes: Proposed configuration. Well being converted to SWD.

County/Parish: Eddy

Status:

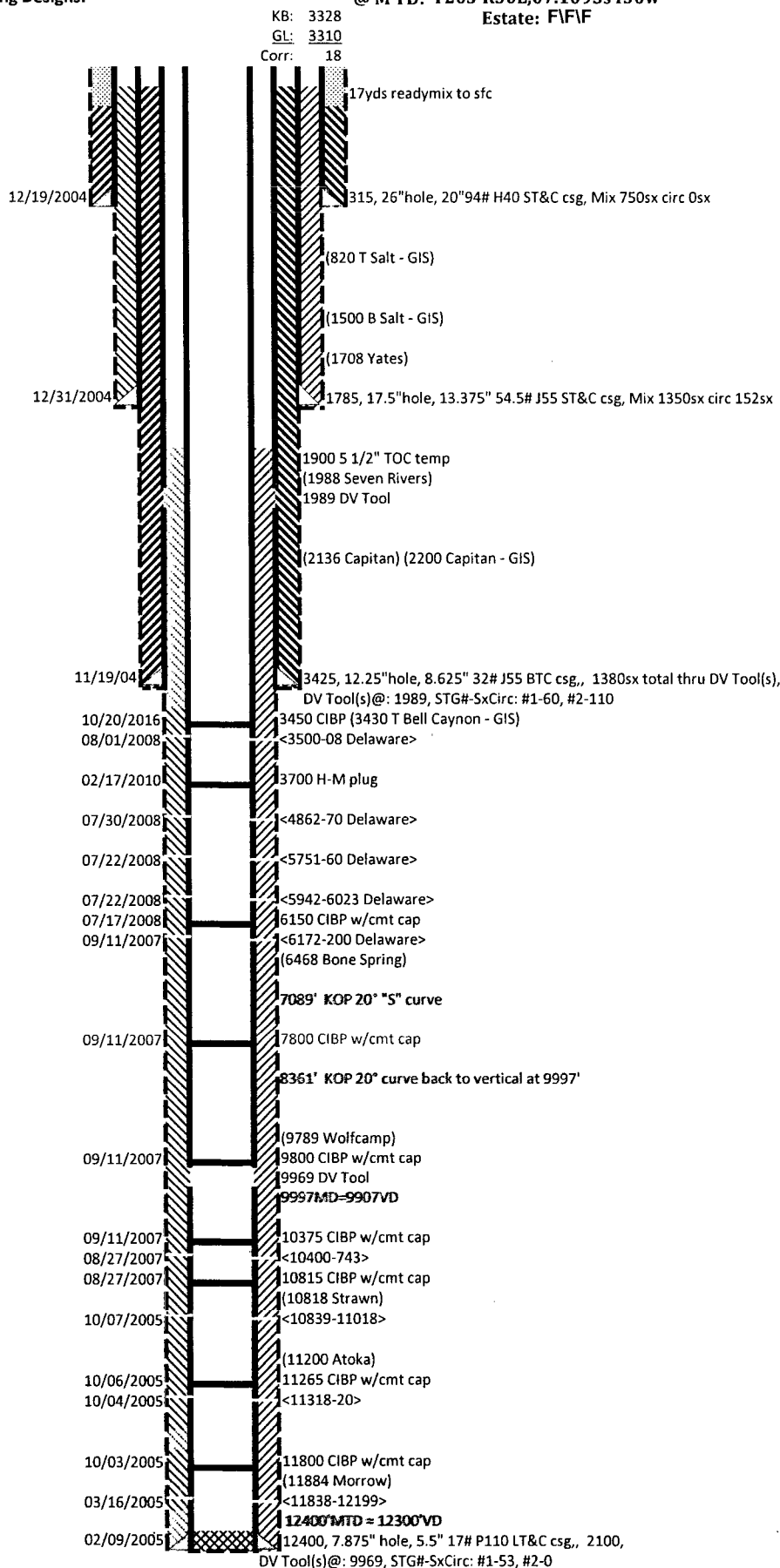
Serial No:

Date: 2/21/2018

Approved:

Operator: OWL SWD Operating, LLC  
 Surface Lease: NM112273 BHL: NM112273  
 Case No: NM112273 Lease Agreement  
 Subsurface Concerns for Casing Designs:  
 Well Status: plg-NOI  
 Spud date: 12/18/2004  
 Plug'd Date:  
 Reentry Date:

Well: COLLINSOSCOPY FEDERAL-1  
 API: 3001533758  
 @ Srfce: T20S-R30E,07.1095s430w  
 @ MTD: T20S-R30E,07.1095s430w  
 Estate: FIFIF



## **Conditions of Approval**

**OWL SWD Operating, LLC  
Collinscopy - 01, API 3001533758  
T20S-R30E, Sec 07, 1095FSL & 430FWL  
March 02, 2018**

- 1. Within 90 days of these conditions of approval for the processed Electronic Submission #405165 notice of intent begin wellbore operations or request an extension.**
- 2. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.**
- 3. Conditions of Approval reflect a procedure based on available documentation for this wellbore. The BLM workover witness may adjust plugback operations so as not to hinder achievable abandonment requirements.**
- 4. Notify 575-361-2822 Eddy Co as work begins.** If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
- 5. Surface disturbance beyond the existing pad must have prior approval.**
- 6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.**
- 7. Functional H<sub>2</sub>S monitoring equipment shall be on location.**
- 8. Use Blow Out Prevention Equipment 3000 (3M). All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels or automatic locking devices) equipment installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.**
- 9. Created operation waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during any other crew-intensive operations.**
- 10. The BLM PET is to run tbg tally and agree to cement volumes and placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.**
- 11. Cementing procedure is subject to the next four numbered paragraphs.**
- 12. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.**
- 13. Below 7500ft Class "H" and above 7500ft Class "C" neat cement plugs(s) will be necessary. Isolation plugs of Class "C" neat cement to be mixed 14.8#/gal, 1.32 ft<sup>3</sup>/sx, 6.3gal/sx water and Class "H" neat cement to be mixed 16.4#/gal, 1.06ft<sup>3</sup>/sx, 4.3gal/sx water.**
- 14. A minimum WOC time of 4 hours(C) & 8 hours(H) is recommended for plugs that require a tag or pressure test.**

15. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.
16. **Drill cmt & plugs to a tag on the 11800' CIBP.**
17. **Set a min 30sx balanced "H" cmt plug on the CIBP set above top perf 11838'. WOC, and tag the plug with tbg at 11550' or above covering the 11884' Morrow formation top.**
18. **Set a CIBP within 100' of the top Atoka perf of 11318'. Set a min 30sx balanced "H" cmt plug from CIBP within 100' of 11318'. WOC, and tag the plug with tbg at 11090' or above, and cover the 11200' Atoka formation top.**
19. **Set a CIBP within 100' of the top Strawn perf of 10839'. Set a min 30sx balanced "H" cmt plug from CIBP within 100' of 10839'. WOC, and tag the plug with tbg at 10590' or above, and cover the 10818' Strawn formation top.**
20. **Set a CIBP within 100' of the top Wolfcamp perf of 10400'. Set a min 25sx balanced "H" cmt plug from CIBP within 100' of 10400'. WOC, and tag the plug with tbg at 10200' or above.**
21. **Set a min 25sx balanced "H" cmt plug from 10050'. WOC, and tag the plug with tbg at 9860' or above covering the DV Tool at 9969'.**
22. **Set a min 25sx balanced "H" cmt plug from 9850'. WOC, and tag the plug with tbg at 9650' or above covering the Wolfcamp formation top at 9789'.**
23. **Set a min 25sx balanced "C" cmt plug from 6575'. WOC, and tag the plug with tbg at 6310' or above covering the Bone Spring formation top at 6468'.**
24. **Set a CIBP within 100' of the Delaware perf of 6172'. Dump Bail 35' cmt cap on the CIBP.**
25. **Set a CIBP within 100' of the Delaware perf of 5942'. Dump Bail 35' cmt cap on the CIBP.**
26. **Set a CIBP within 100' of the Delaware perf of 5751'. Dump Bail 35' cmt cap on the CIBP.**
27. **Pick up the workover operation on Step 11 of Operator's procedure.**

#### **Well with a Packer - Operations**

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need reduced). **Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test.** An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 85 per cent of its full range. Greater than 10% pressure leakoff viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.



- 4) Arrange 24 hours before the test for BLM to witness. In Eddy County phone 575-361-2822.
- 5) The setting depths and descriptions of inside casing injection equipment is to be included in the subsequent sundry.
- 6) The most restrictive of NMOCD Administrative Orders or BLM Conditions of Approval compliance required.
  - a) Reduce and notify the BLM within 24 hours when surface injection pressure exceeds the approved.
  - b) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 7) Accompany a request sundry for increased wellhead pressure with a BLM step rate test. PRIOR to a Step Rate Test BLM – CFO is requiring a Notice of Intent.
- 8) Stimulation injection pressures are not to exceed BLM's permitted wellhead pressure or the well's frac pressure established by a BLM approved step rate test for Class II water injection wells.
- 9) Monitor the casing/tubing annulus for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 10) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
- 11) Maintain the annulus full of packer fluid at atmospheric pressure. Installation of equipment that will display continuous open to the air packer fluid level above the casing vent is required for this disposal well.**
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) Class II (production water disposal) wells will not be permitted Stimulation Pressures or "Injectivity Tests" that exceed the permitted wellhead pressure through tubing with an ID equal or less than 2 ½" which is: .2 x ft depth to the topmost injection or 50psig below the frac point as clearly indicated by a BLM accepted "Step Rate Test". Wellhead pressure through tubing with an ID greater than 2 ½" restricted to 0.15 x the depth of the top perforation.**
- 14) Submit a NOI application sundry to BLM for increased disposal wellhead pressure prior to running a "Step Rate Test". An injectivity test ran to determine the disposal rate at an accepted initial wellhead pressure requires no NOI sundry.**
- 15) The subsequent report is to include all stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures (psig).
- 16) File **subsequent sundry** Form 3160-5 within 30 days of workover procedures. Include (dated daily) descriptions of the well workover, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.