Form 3160-5 (June 2015)

# UNITED STATES DEPARTMENT OF THE INTERIOR OCD Artesia

FORM 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		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
Type of Well	er		4		8. Well Name and No. COLLINSOSCOPY FEDERAL 1		
Name of Operator     OWL SWD OPERATING LLC	tics.com		9. API Well No. 30-015-33758-00-S3				
			o. (include area code) 69-3735		10. Field and Pool or Exploratory Area E BURTON FLAT		
	4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County or Parish, State			
Sec 7 T20S R30E Lot 4 1095F			EDDY COUNT	Y, NM			
12. CHECK THE AF	PROPRIATE BOX(ES)	TO INDIC.	ATE NATURE O	F NOTICE,	REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION			TYPE O	F ACTION			
■ Notice of Intent	☐ Acidize ☐ Alter Casing		eepen draulic Fracturing	☐ Product☐ Reclam	ion (Start/Resume) ation	☐ Water Sh☐ Well Inte	
☐ Subsequent Report	☐ Casing Repair	□ No	ew Construction	☐ Recomp	olete	Other	
☐ Final Abandonment Notice	☐ Change Plans	□ Pl	☐ Plug and Abandon ☐ Tempor		arily Abandon		
		□ Pl	ug Back	☐ Water I	Disposal		
13. Describe Proposed or Completed Oplif the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Aldetermined that the site is ready for form to the complete of the c	ally or recomplete horizontally rk will be performed or provide to operations. If the operation repandonment Notices must be final inspection.  HOCD ORDER SWD-164 chors. (Note: May not ne guy lines. Check with a beginning work. The check with a beginning work. The check with a	e the Bond No.  the Bond No.  ssults in a mult led only after a  8; Prior to M  eed tested a  company be  ssociated eq	ce locations and measure on file with BLM/BLM/BLM/BLM/BLM/BLM/BLM/BLM/BLM/BLM/	ured and true vu A. Required su completion in a ding reclamation vice compan g anchors.)  UBJECT  PPROVA	rtical depths of all pertical depths of all pertical besequent reports must be new interval, a Form 31 n, have been completed  TO LIKE  L BY STATE  ACCEP	efiled within 30 60-4 must be file and the operator RECEIVE	days d once has
Name (Printed/Typed) BEN STC	Electronic Submission a For OWL SW nmitted to AFMSS for prod NE	D OPERATII	Title AGEN  Date 03/29/	e Carlsbad on 03/29/2018 T CONSULT	(18PP1427SE) ANT		
A./	THIS SPACE F	OR FEDER	RAL OR STATE	OFFICE U	ISE		/ /
Approved By Wall	3		Title 5.P.	E.		Date	12/19

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.

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.

Office

### Additional data for EC transaction #409731 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.
- 10. Set cement plugs 6,120??5,885? (235??25 sx Cl C cmt). WOC 4 hrs. TAG.
- 11. Set cement plug 5,410??5,175?. (235??25 sx Cl C cmt). WOC 4 hrs. TAG. (Note: TlH 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? tbg sub, 5-1/2? x 3-1/2? PermaPak packer (install pump-out plug BHA0. Set pkr @ 3.7252. RD WLU.
- 16. TIH w/anchor-seal assembly on 3-1/2? 9.3# J-55 PH-6 (internally coated) tbg. Stiing 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.

## **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.

575-36/-2822 BLM (575) 887-6544-€arlsbad (575) 200-7902-€ell

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,  $6 \times 3$ -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.

- 10. Set cement plugs 6.120' 5,885' (235' 25 sx Cl C cmt).
- 11. Set cement plug 5,410' 5,175'. (235' 25 sx Cl 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. Stiing 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.

# **COLLINSOSCOPY FED SWD #1**

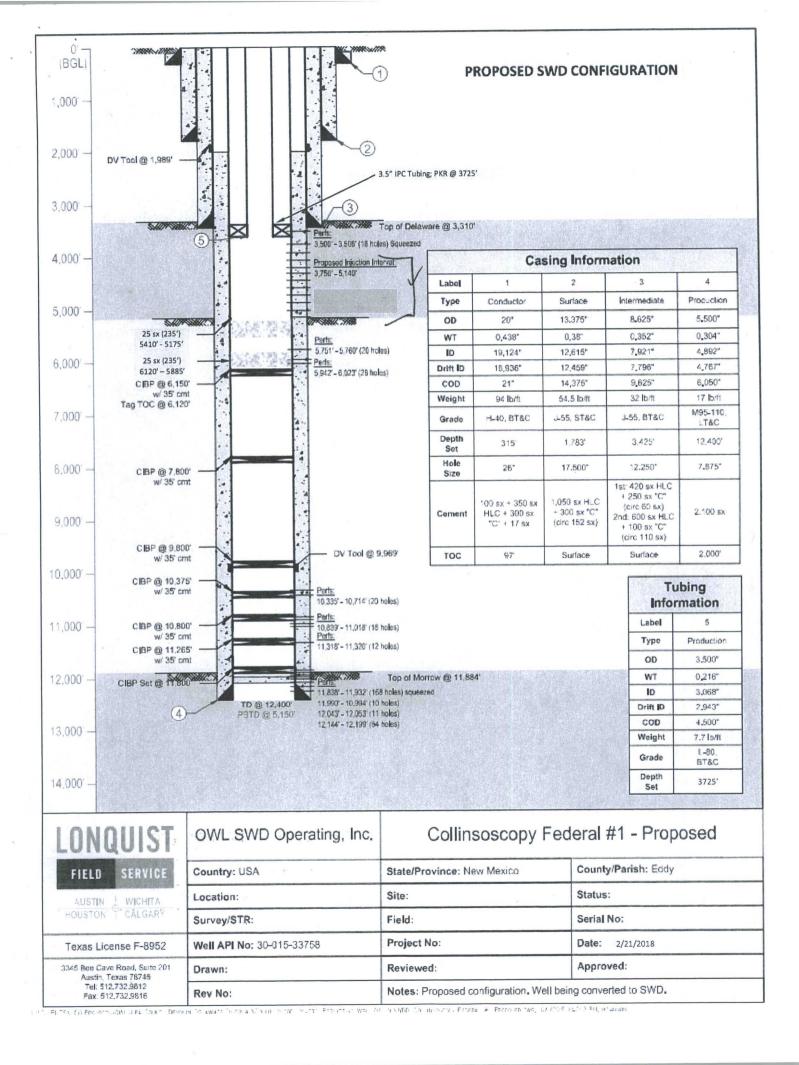
Perforation Schedule

PERMIT: 3750' - 5140'

Interval	Top Dept	Btm Dep	Net Pav
1	5,136'	5,140'	4'
2	5,116	5,126'	10 <sup>t</sup>
3	5,088'	5,033'	-55'
4	5,066'	5,076'	10'
5	5,040'	5,050'	10'
6	5,016'	5,026'	10'
7	4,998'	5,008'	10'
8	4,986'	4,992'	6'
9	4,962'	4,972'	10'
10	4,942'	4,948'	6'
11	4,900'	4,920'	20'
12	4,888'	4,892'	4'
13	4,880'	4,886'	6'
14	4,872'	4,876'	4'
15	4,860'	4,870'	10'
16	4,836'	4,856'	20'
17	4,822'	4,830'	8'
18	4,812'	4,814'	2'
19	4,788'	4,798'	10'
20	4,775'	4,780'	5'
21	4,678'	4,688'	10'
22	4,638'	4,646	8'
23	4,604'	4,612'	8'
24	4,590'	4,598'	8'
25	4,544'	4,564	20'
26	4,490'	4,510'	20'
27	4,452'	4,472'	20'
28	4,410'	4,430'	20'
29	4,390'	4,398'	8'
30	4 354'	4,364'	10'
31	4,318'	4,328'	10'
32	4,280'	4,300'	20'
33	4,243'	4,247'	4'
34	4,222'	4,232'	10'
35	4,204'	4,214'	10'
36	4,168'	4,172'	4'
37	4,102'	4,116'	14'
38	4,088'	4,098'	10'
39	4,063'	4,068'	5'
40	4,024	4,034'	10'
41	4,005'	4,008'	3'
42	3,990'	4,000'	10'
43	3,956'	3,960'	4'
44	3,936'	3,944	8'
45	3,920'	3,924'	4'
46,	3,888'	3,892'	4'
· 47	3,860'	3,870'	10'
48	3,836'	3,846'	10'
49	3,818'	3,826'	8'
50	3,768'	3,788'	20'
51	3,752'	3,762'	10'

TOTAL NET PAY - 430'

TOTAL PERFS (4 SPF)- 1720



### **CURRENT COMPLETION (TA'd)**





30-015-33758

AFE#

WELL NAME:	COLLINSOSCOPY FEDERAL #1	SPUD	12/18/2004	API#
FIELD:	E BURTON FLATS (multiple zones)	RIG RELEASE:	2/9/2005	AFE#
PROJECT AREA:	CARLSBAD	COMP. DATE:	10/20/2005	_
COUNTY/STATE:	EDDY COUNTY, NM			
SURF LOCATION:	1095' FSL & 430' FWL			
SURF LOCATION:	Section 7, T-20S, R30E			
COUNTY/STATE:	Eddy Count, NM			

KB: 3,328' GL: 3,310' 18' above GL BTC H-40 SURFACE CASING 315' SIZE 20" W
One Stage - Lead: 100 sx Thickset + 350 sx Lite C Tail: 300 sx CI C.
Did not circulate to surface (97"). Ran 1" & circ 10 sx Redi-Mix to surf. 26" 94# GRADE: BIT SIZE: DEPTH: CEMENT: STC FIRST INTERMEDIATE CASING 1,783 SIZE 13-3/8" WT: 54.5 GRADE: J-55 BIT SIZE: 17-1/2" DEPTH: One Stage: Lead: 1050 sx Lite C. Tail: 300 sx CI C. CEMENT: Circ 152 sx cmt to surface BTC SECOND INTERMEDIATE CASING J-55 BIT SIZE: 12-1/4" SIZE 8-5/8" WT: 32 GRADE: DEPTH: Two Stage - Stg 1: Lead: 420 sx Lite C. Tail: 250 sx Cl C. (Circ 50 sx to surf.) CEMENT: Stg 2: Lead: 600 sx Lite C. Tail: 100 sx Cl C. (Circ 110 sx to surf.) Circ 152 sx cmt to surface DV TOOL: 1989' LTC **INJECTION CASING** M95 &110 BIT SIZE: 7-7/8" 12,400' SIZE 5-1/2" WT: 17 GRADE: DEPTH: Two Stage - Stg 1: Lead: 600 sx PB Super H. (Circ 53 sx to surf.)

Stg 2: Lead: 1300 sx HLPP. Tail: 200 sx PB Super H. (Did not circ to surf. TOC - 2,000' TS) CEMENT: DV TOOL: 9,969

> PERFS: 3,500' -3,508' SQUEEZED CIBP: 3,700 PERFS: 4,862' -4,870' CMT: 5,410' 5,175' CMI: 6,120' 5,885' 5,942' -6,023' PERFS: 6,150 **TAG PBTD 6,120'** CIBP: 10,400' -10,743' PERFS: 10,815 + 35' CMT CIBP: 10,839' -11,018' 11,265' PERFS: + 35' CMT CIBP: 11,318' -11,320' PERFS: CIBP: 11,800' PERFS: '-11,932' SQUEEZED 11,965' CIR: 11,990' -12,199' SQUEEZED PERFS: TD: 12,400'

3,750' -5,140'

PERFS:

Prepared by: JCW 2/12/2018

XXXXX

XXXXX

# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1648 September 7, 2016

# ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, OWL SWD Operating LLC (the "operator") seeks an administrative order to re-enter and recomplete the Collinsoscopy Federal Well No. 1 with a location 1095 feet from the South line and 430 feet from the West line, Lot 4 (Unit letter M) of Section 7, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

#### IT IS THEREFORE ORDERED THAT:

The applicant, OWL SWD Operating, LLC (OGRID 308339) is hereby authorized to utilize its Collinsoscopy Federal Well No. 1 (API 30-015-33758) with a location 1095 feet from the South line and 430 feet from the West line, Lot 4 (Unit letter M) of Section 7, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through a perforated interval within the lower Cherry Canyon and Brushy Canyon formations from 3750 feet to 5140 feet. Injection shall occur through 4½-inch or smaller, internally-coated tubing and a packer set no greater than 100 feet above the shallowest perforation.

### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application and, if necessary, as determined by the District Supervisor.

The operator shall conduct a Step-Rate Test, acceptable to the Division, prior to commencing injection. The results shall be provided to the Division's District II office, the Division's Engineering Bureau, and the Bureau of Land Management for review. If the results of

the test indicate the maximum surface injection pressure approved under administrative rule exceeds the formation parting pressure, the Division shall amend this order and notify the operator to reduce the maximum surface injection pressure to an appropriate value.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District II office, Santà Fe Bureau office and the Bureau of Land Management.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to no more than 750 psi, but may be modified by the Division Director following the completion of the initial Step-Rate Test. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. The operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

DAVID R. CATANACH

Director

DRC/prg

ce: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office

### BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

### Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plug back operations shall commence within <u>ninety (90)</u> days from this approval. If you are unable to plug back the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.
- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

- 6. <u>Subsequent Plug back Reporting:</u> Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date work was completed.</u> If plugging back to a new zone submit a Completion Report, form 3160-4 with the Subsequent Report.
- 7. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.