

Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Drive
 Santa Fe, NM 87505

WELL API NO. 30-025-28474 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. NMLC 0301328
7. Lease Name or Unit Agreement Name CITIES FEDERAL ✓
8. Well Number 002 ✓
9. OGRID Number 308339
10. Pool name or Wildcat SEVEN RIVERS QUEEN
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

AUG 24 2015
 RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other Injection

2. Name of Operator
OILFIELD WATER LOGISTICS, LLC ✓

3. Address of Operator
8214 WESTCHESTER DRIVE SUITE 850 DALLAS, TX 75225

4. Well Location
 Unit Letter M : 660 feet from the South line and 660 feet from the West line.
 Section 20 Township 22S Range 36E NMPM County LEA ✓

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		CLEANOUT ✓	
CLOSED-LOOP SYSTEM <input type="checkbox"/>		OTHER: MIT TEST ✓	
OTHER: <input type="checkbox"/>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. Well clean out witnessed by Paul Swares, Burny & MIT TEST

1. Date of Report 6-18-15
 2. Cleanout
 3. Opened up well
 4. Bled down air from 4" csg. liner, reset casing to 500#. Casing held okay.
 5. Cleared location and rigged down pulling unit.
 6. Stand by until 1:00 pm - waiting on BLM officer, perform MIT, test casing to 550# for 30 minutes. Casing held okay.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Katy Welch TITLE Landman DATE 8-20-15
 Type or print name Katy Welch E-mail address: kwelch@oilfieldwaterlogistics.com PHONE: (432) 234-0427
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

FOR RECORD ONLY

B8 8/30/2015 OCS AUG 31 2015 *fm*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.
NMLC030132B

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		8. Well Name and No. CITIES FEDERAL 002
2. Name of Operator OILFIELD WATER LOGISTICS		9. API Well No. 30-025-28474
3a. Address 8214 WESTCHESTER DRIVE SUITE 850 DALLAS, TX 75225	3b. Phone No. (include area code) Ph: 432-234-0427	10. Field and Pool, or Exploratory SEVEN RIVERS QUEEN
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 20 T22S R36E Mer NMP SWSW 660FSL 660FWL		11. County or Parish, and State LEA COUNTY, NM

12. CHECK 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"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input checked="" 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 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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

OWL SWD Operating, LLC has performed a well clean out and a subsequent MIT on csg annulus was performed on 06/18/2015.

1. Test to 550 +psi for 30 min using chart recorder
2. Documented pressure test on a one hour full rotation calibrated (within 6 mos.)
3. Recorder chart registering within 25 to 85% of its full range.
4. Verified all annular casing vents were plumbed to surface & open during test.
5. Copy of the chart is attached.

*Prepared by Jim Ward - Consulting Engineer

OWL has submitted notice to OCD, specifically -Donna Mull and Maxey Brown and Bill Sonnamaker.

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

**Electronic Submission #307519 verified by the BLM Well Information System
For OILFIELD WATER LOGISTICS, sent to the Hobbs**

Name (Printed/Typed) KATY WELCH	Title AUTHORIZED REPRESENTATIVE Landman
Signature (Electronic Submission) <i>Katy Welch</i>	Date 06/30/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	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.		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.

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

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Additional data for EC transaction #307519 that would not fit on the form

32. Additional remarks, continued

OWL SWD Operating, LLC meets federal bonding requirements:
BLM Bond File No.: NMB001181
Effective Date: July 1, 2014

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OILFIELD WATER LOGISTICS					
WORKOVER DAILY REPORT				AFE#	
COMPANY	OILFIELD WATER LOGISTICS			TOTAL:	
NAME OF LEASE	CITIES FEDERAL #2				
CONTRACTOR	VARON ENERGY				
DATE OF REPORT	6/18/2015			WELL:	#2
CUMULATIVE DAYS	4			RIG #	
PREPARED BY	JOSE CERRILLO				
CASING DATA	Present Operation:	CLEAN OUT			
PERFORATIONS	3492'-3788'				
TD	3881'				
PBTD:					
TYPE:	Size	Set @	Cemented with	Date:	
Conductor					
Surface Casing					
Production Casing	5 1/2"	3881'			
CASING LINER	4"	3466'			
TUBING DATA					
T.B.G. PULLED			T.B.G. RUN IN HOLE		
TYPE	SIZE	No. OF JTS.	TYPE	SIZE	No. OF JTS.
			BUTTRESS IPC	2 3/8"	75 ON TOP
			HIGH DRILL IPC	2 3/8"	17
			J 55 IPC	2 3/8"	18 ON BOTTOM
FOOTAGE:			FOOTAGE:		
PACKER:			PACKER		
			3429.41		
			AD-1 IPC @ 3433'		
RODS DATA					
RODS PULLED			RODS RUN IN HOLE		
K.D BARS			K.D BARS		
1"			1"		
7/8"			7/8"		
3/4"			3/4"		
5/8"			5/8"		
PONY RODS			PONY RODS		
PUMP			PUMP		
POLISH ROD			POLISH ROD		
TOTAL:			PUMP IN		
PUMP OUT					
PACKER DATA					
Hours Spent					
ACTIVITY:					
7:00 AM Open up well, Bleed down air from 4" csg. Liner, reset csg. to 500#, csg held ok.					
clean location, rig down pulling unit					
stand by till 1:00 waiting on BLM Officer, perform Mt, test csg. to 550# for 30 min. csg held ok, witness by Paul Swartz					
FINAL REPORT					
8:30 PM					
COST:		PULLING UNIT		\$1,800.00	
		BOP			
		WORKING STRING			
		TRUCKING			
		HYDROTESTERS			
		PACKER HAND			
		slips type elevators			
		kill truck and packer fluid		\$1,600.00	
TOTAL:				\$3,400.00	
PREV. COST:				\$25,150.00	
CUM. COST:				\$28,550.00	

FOR RECORD ONLY

Form 3160-5
(August 2007)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

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.**

Bold* fields are required.

Section 1 - Completed by Operator

1. BLM Office* Hobbs, NM	2. Well Type* INJECTION
3. Submission Type* <input checked="" type="radio"/> Notice of Intent <input type="radio"/> Subsequent Report	4. Action* Other Sundry Notice

Operating Company Information

5. Company Name* OILFIELD WATER LOGISTICS	
6. Address* 8214 WESTCHESTER DRIVE SUITE 850 DALLAS TX 75225	7. Phone Number* 432-234-0427

Administrative Contact Information

8. Contact Name* KATY _ WELCH	9. Title* AUTHORIZED REPRESENTATIVE
10. Address* 8214 WESTCHESTER DRIVE SUITE 850 DALLAS TX 75225	11. Phone Number* 432-234-0427
13. E-mail* KWelch@oilfieldwaterlogistics.com	12. Mobile Number 432-889-1177
	14. Fax Number

Technical Contact Information

Check here if Technical Contact is the same as Administrative Contact.

15. Contact Name*	16. Title*
17. Address*	18. Phone Number*
	19. Mobile Number
20. E-mail*	21. Fax Number

FOR RECORD ONLY

Lease and Agreement

22. Lease Serial Number*

NMLC030132B

24. If Unit or CA/Agreement, Name and/or Number

25. Field and Pool, or Exploratory Area*

SEVEN RIVERS QUEEN

County and State for Well

26. County or Parish, State*

LEA NM

Associated Well Information

27. Specify well using one of the following methods:

a) Well Name, Well Number, API Number, Section, Township, Range, Qtr/Qtr, N/S Footage, E/W Footage

b) Well Name, Well Number, API Number, Latitude, Longitude, Metes & Bounds description

Well Name* CITIES FEDERAL		Well Number* 002	API Number 30-025-28474
Section 20	Township 22S	Range 36E	Meridian NEW MEXICO PRINCIPAL
Qtr/Qtr SWSW	N/S Footage 660 FSL	E/W Footage 660 FWL	
Latitude _____	Longitude _____	Metes and Bounds	

28. 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 markers and zones. Attach the Bond under which the work will be performed or provide the Bond Number on file pertinent with BLM/BIA. Required subsequent reports shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Due to the results of the Tracer Survey performed on May 20, 2015 OWL SWD Operating, LLC is requesting permission to perform a well cleanout, followed by an MIT. Once completed we propose to run another Tracer Survey to verify results. The well clean out procedure details are as follows:

1. MIRU pulling unit, power swivel, pipe racks, catwalk, trash trailer/porta-toilet & H2S monitors
2. ND wellhead. NU BOP. Release AD-1 (tension-set) pkr & POH. Rabbit & visually inspect all tbg as pulled. (Tbg is old & if it is in poor shape, we will replace).
3. GIH w/3.9" bladed mill & csg scraper on 2-3/8" injection tbg. RU foam unit & clean out to 3,840' PBTD or at least below bottom perf 3,788'.
4. Circ clean. POH. RD foam unit.
5. GIH w/pkr on tbg & set @ 3,441'.
6. RU acid trk. Load annulus & pressure to 500 psi. Pump 2,500' gal 15% NEFE HCL (+xylene as paraffin dissolvent) acid down tbg @ 4-5 bpm. Displace to bottom perf w/2% KCL water + or produced water + paraffin solvent. SI well & record 10 min SITP. RD acid trk.
7. Leave well shut in 24 hrs.
8. If well is not on vacuum, flow to pit until dead. Release pkr & POH. (Note: if tbg is being

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replaced, lay down old tbg.)

9. GIH w/AD-1 pkr & SN on 2-3/8" injection tbg. Set pkr @ 3,441'. Load annulus w/pkr fluid containing corrosion inhib & biocide. Test seat to 500 psi. ND BOP. NU wellhead. Test csg to 500 psi. RDMOPU & equipment.

10. Perform MIT on csg annulus. (Notify BLM & NM OCD at least 24 hrs in advance of test. Test to 300+psi for 30 min using chart recorder - Document pressure test on a one hour full rotation calibrated (within 6 mos.) recorder chart registering within 25 to 85% of its full range. Verify al annular casing vents are plumbed to surface & open during test. Submit a subsequent sundry Form 3160-f relating the dated wellbore and MIT activities, include a copy of the chart.

*Prepared by Jim Ward - Consulting Engineer

OWL SWD Operating, LLC meets federal bonding requirements:

BLM Bond File No.: NMB001181

Effective Date: July 1, 2014

I hereby certify that the foregoing is true and correct.

29. Name*

KATY WELCH

30. Title

AUTHORIZED REPRESENTATIVE

31. Date* (MM/DD/YYYY)

06/05/2015 Today

32. Signature*

You have the ability to sign this form only if a SmartCard or digital certificate has been issued to you.

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.

Section 2 - System Receipt Confirmation

33. Transaction

304128

34. Date Sent

06/05/2015

35. Processing Office

Hobbs, NM

Section 3 - Internal Review #1 Status

36. Review Category

N/A

37. Date Completed

38. Reviewer Name

39. Comments

Section 4 - Internal Review #2 Status

40. Review Category

N/A

41. Date Completed

42. Reviewer Name

43. Comments

FOR RECORD ONLY

Section 5 - Internal Review #3 Status

44. Review Category

N/A

45. Date Completed

46. Reviewer Name

47. Comments

Section 6 - Internal Review #4 Status

48. Review Category

N/A

49. Date Completed

50. Reviewer Name

51. Comments

Section 7 - Final Approval Status

52. Disposition

Rejected

53. Date Completed

06/05/2015

54. Reviewer Name

PAUL SWARTZ

55. Reviewer Title

56. Comments

06/05/2015: PAUL SWARTZ: Not unnecessary for routine wellbore maintenance.

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard local area, or regional procedures and practices, either are shown below will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 27 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 28 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0135), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., LS, Washington D.C. 20240

FOR RECORD ON