

Submit 1 Copy To Appropriate District 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

HOBBS OGD
MAR 26 2018
RECEIVED

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

WELL API NO. 30-025-42545
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> <i>Federal</i>
6. State Oil & Gas Lease No. NMNM 33955
7. Lease Name or Unit Agreement Name Halfway SWD Federal # 001
8. Well Number 001
9. OGRID Number 289936
10. Pool name or Wildcat SWD; Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

2. Name of Operator
R360 Permian Basin, LLC

3. Address of Operator
3 Waterway Square Place Suite 110 The Woodlands, TX 77380

4. Well Location
 Unit Letter M : 845 feet from the South line and 1030 feet from the West line
 Section 22 Township 20S Range 32E 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 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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: SWD Survey Report and logs <input checked="" 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.

The Survey Report was completed for Halfway SWD #1 by Strata Technologies, LLC. Attached you will find the Report, Radioactive Tracer Survey Mechanical Integrity Test log, and Differential Temperature Survey log.

**SUBMIT RESULTS
 TO SANTA FE
 FOR APPROVAL**

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 *Stephanie Garza* TITLE Environmental Specialist DATE 3/21/18

Type or print name Stephanie Garza E-mail address: Stephanieg@r360es.com PHONE: 956-458-0515

For State Use Only

Accepted for Record Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): *M. Brown 4/2/2018*

**2018
MECHANICAL INTEGRITY TESTING
Halfway SWD#1
(API #30-025-42545)**

**HOBBS OCD
MAR 26 2018
RECEIVED**

Prepared for

**R360 PERMIAN BASIN, LLC
LEA COUNTY, NEW MEXICO**

Prepared by

**STRATA TECHNOLOGIES, LLC
AUSTIN, TEXAS**

MARCH 2018

EXECUTIVE SUMMARY

This report summarizes the 2018 mechanical integrity testing performed on the R360 Permian Basin, LLC (R360) waste disposal well, SWD#1 (API # 30-025-42545), located at the Halfway facility in Lea County, New Mexico. The testing was conducted to meet the requirements of the New Mexico Oil Conservation Division (OCD) Administrative Order SWD-1529 dated March 2, 2015. Testing activities were conducted on March 7 - 8, 2018. The mechanical integrity test (MIT) for SWD#1 consisted of a differential temperature decay survey (DTS) and a radioactive tracer survey (RAT). A wellbore schematic of Halfway SWD#1 is included in Attachment A.

On March 6, 2018 an attempt was made to begin the MIT, but unforeseen problems prevented starting the testing that day. R360 contacted the OCD in Hobbs, NM and received approval to change the sequence of the originally proposed MIT procedures and allow resumption of activities on March 7, 2018.

The DST was performed on March 7 and 8, 2018. The DTS included two logging passes, the first, on March 7, 2018, approximately 4.5 hours after sustained injection had ceased and the second, on March 8, 2018, approximately 27 hours after sustained injection had ceased. Results of the DST indicate all fluids are exiting the wellbore within the permitted open hole injection interval. A copy of the DTS survey performed March 7 and 8, 2018 is included in Attachment B.

The RAT was conducted on March 8, 2018 and consisted of:

- an initial base log;
- statistical checks above the casing shoe and above the packer;
- surveying of an injected slug of radioactive material ejected above the packer and followed downhole with overlapping logging passes into the open hole interval while injecting into the well at 34 gpm and a repeat of the same;
- A 20-minute time drive survey conducted 20 feet above the casing shoe while injecting at 200 gpm and repeat of the same; and

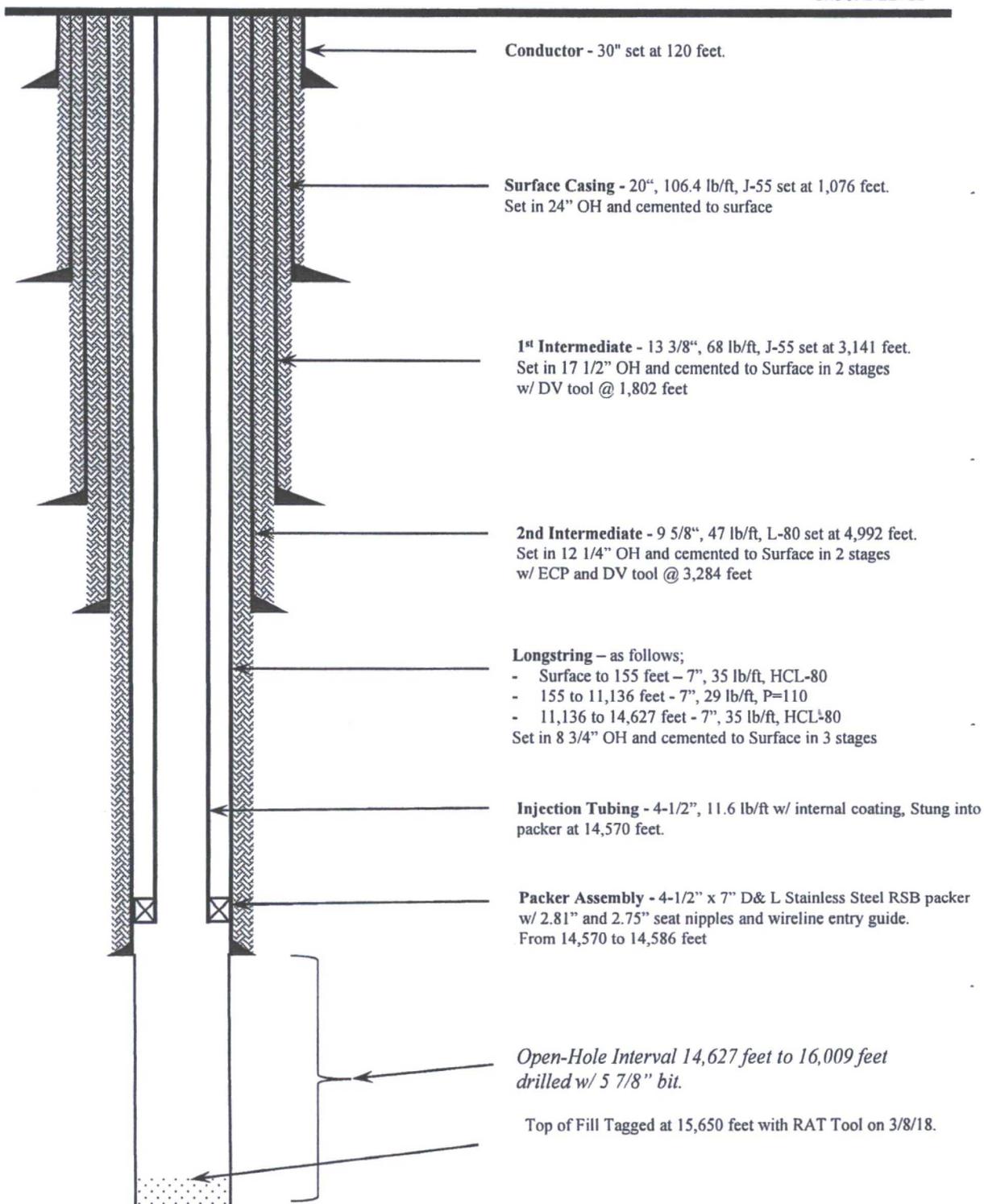
- A final base log.

Results of the RAT indicate all fluids are exiting the wellbore within the permitted open hole injection interval. A copy of the RAT survey performed March 8, 2018 is included in Attachment C.

MIT results indicate a successful demonstration of mechanical integrity for SWD#1. Wireline services were provided by Coastal Wireline Services, Inc. (CWS) of Pearland, Texas. The R360 site representative was Mr. Kevin Trahan. Site activities were supervised and coordinated by Mr. Gary Rogers of Strata Technologies, LLC (Strata).

Attachment A
Halfway SWD#1
R360 Permin Basin, LLC
Lea County, NM

GROUND LEVEL



NOTE: All Depths Relative to Original RKB which is 25 feet above ground level.

Original Total Depth = 16,009 feet.

Not to Scale

DRAWN BY: WMJ	CHECKED BY: GPR	FILE: Fig 1-1 Halfway SWD-1.PPT	DATE: 3/8/17	REV.: 1
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