

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

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

HOBBS OCD

MAY 15 2018

RECEIVED

WELL API NO. 30-025-26370
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State '4'
8. Well Number 1
9. OGRID Number 370661
10. Pool name or Wildcat BSW; Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3997' GL

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 - Proposed Brine Well

2. Name of Operator
Llano Disposal, LLC

3. Address of Operator
P.O. Box 190, Lovington, NM 88260

4. Well Location
 Unit Letter E : 1980 feet from the North line and 660 feet from the West line
 Section 4 Township 13S Range 36E NMPM Lea County

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" 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 checked="" type="checkbox"/>			
OTHER: Prep well to convert to BSW <input checked="" type="checkbox"/>		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.

In accordance with discussions with OCD Environmental Bureau, Llano Disposal LLC proposes the following procedure to convert this well to brine well service after WQCC Discharge Permit approval:

- MIRU WL, run 8-5/8" CIBP on WL, set at 2450' capped with 10' cement via WL dump bailer. RDMO WL.
- MIRU pulling unit, reverse unit/swivel and Whipstock assembly, NU BOP, unload and tally 2-7/8" workstring, set 2 frac tanks (closed loop system) and fill one tank with BW. Perform casing MIT to 300 psi for 30 minutes. RIH with Whipstock anchor on workstring, tag CIBP cement cap at 2440', set anchor at 2440', pull workstring.
- RIH with casing cutter assembly, four 4-3/4" DCs and workstring to Whipstock anchor, mill 10' casing side window in 8-5/8" casing at 2400' - 2410'. POH with workstring, DCs, casing cutter, pick up bit. RIH with workstring and bit assembly, drill through salt to 2920', circulate hole clean. POH with workstring, DCs and BHA.
- RIH with 8-5/8" Baker dual port packer on 3-1/2" IPC production tubing, set packer at 2300', land 2-7/8" fiberglass tailpipe at 2900'.
- ND BOP, hook up wellhead, perform open-hole pressure test to 300 psi for 4 hours. RDMO pulling unit, reverse unit, frac tanks.
- Circulate FW to test brine service well. Install surface equipment. Begin brine water production.

Re-entry 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 DJ Holcomb TITLE Agent for Llano Disposal, LLC DATE 3/1/2018

Type or print name Danny J. Holcomb E-mail address: danny@pwlloc.net PHONE: 806-471-5628

APPROVED BY: [Signature] TITLE _____ DATE 05/15/18

Conditions of Approval (if any):